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ABSTRACT

This document contains the text and a section-by-section analysis of the proposed Reemployment Act of 1994, along with President Clinton's message in transmitting the act to Congress. The document reports that job seekers today have a difficult time getting information about jobs and training. The underlying problem is the lack of a coherent employment and training system. The document proposes a true system of lifelong learning, the proposed legislation being a first step in building such a system. The act reflects six key principles: (1) universal access and program consolidation; (2) high-quality reemployment services; (3) high-quality labor market information; (4) one-stop service; (5) effective retraining for dislocated workers; and (6) accountability. The text of the proposed legislation includes a short title, table of contents, findings and purpose, authorizations of appropriations, definitions, and various titles to address the major provisions outlined by the President. (KC)

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103d Congress, 2d Session - - - - - - - - - - - - House Document 103-222

PROPOSED LEGISLATION: REEMPLOYMENT ACT OF 1994

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A DRAFT OF PROPOSED LEGISLATION ENTITLED,
"REEMPLOYMENT ACT OF 1994"

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

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MARCH 16, 1994.—Message and accompanying papers referred to the Committees on Education and Labor, Ways and Means, the Judiciary, and Veterans' Affairs and ordered to be printed

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To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and prompt enactment the "Reemployment Act of 1994". Also transmitted is a section-by-section analysis. This legislation is vital to help Americans find new jobs and build sustainable careers.

Our current set of programs was designed to meet the different needs of an earlier economy. People looking for help today confront a confusing, overlapping, and duplicative tangle of programs, services, and rules. Job seekers—whether unemployed or looking for better jobs—have a difficult time getting the information they need: What benefits and services are available to them? Where can they get good quality training? What do they need to know to find and hold good jobs and to build sustainable careers?

The underlying problem is the lack of a coherent employment and training system. Instead, we have many disconnected, category-based programs—each with distinct eligibility requirements, operating cycles, and program standards. We need a true system of lifelong learning—not the current hodgepodge of programs, some of which work, and some of which don't. The legislation I am transmitting today is an important first step in building this system.

We need to build a reemployment system because our current unemployment system no longer delivers what many American workers need. In the past, when a worker lost a job, he or she often returned to that job as soon as the business cycle picked up again and the company was ready to rehire. The unemployment system was designed to tide workers over during temporary dry spells. Today, when a worker loses a job, that job often is gone forever.

Our economy has generated new jobs. In 1993 alone, 1.7 million new private sector jobs were created—more than in the previous 4 years combined. While the jobs exist, the pathways to them aren't always clear.

The Reemployment Act of 1994 strives to fix this. It is based on evidence of what works for getting workers into new and better jobs. Programs that work are customer-driven, offering customized service, quality information, and meaningful choices. Programs that work provide job search assistance to help dislocated workers become reemployed rapidly, feature skill training connected to real job opportunities, and offer support services to make long-term training practical for those who need it.

The Act reflects six key principles:

First is universal access and program consolidation. The current patchwork of dislocated worker programs is categorical, inefficient, and confusing. The Reemployment Act of 1994 will consolidate six separate programs into an integrated service system that focuses on what workers need to get their next job, not the reason why they lost their last job.

Second is high-quality reemployment services. Most dislocated workers want and need only information and some basic help in assessing their skills and planning and conducting their job search. These services are relatively simple and inexpensive, and they have been shown to pay off handsomely in reducing jobless spells.

Third is high-quality labor market information, which must be a key component of any reemployment effort. The labor market information component of the Reemployment Act of 1994 will knit together various job data systems and show the way to new jobs through expanding access to good data on where jobs are and what skills they require.

Fourth is one-stop service. At a recent conference that I attended on "What is Working" in reemployment efforts, a common experience of workers was the difficulty of getting good information on available services. Instead of forcing customers to waste their time and try their patience going from office to office, the new system will require States to coordinate services for dislocated workers through career centers. It allows States to compete for funds to develop a more comprehensive network of one-stop career centers to serve under one roof anyone who needs help getting a first, new, or better job, and to streamline access to a wide range of job training and employment programs.

The fifth principle of the legislation is effective retraining for those workers who need it to get a new job. Some workers need retraining. The Reemployment Act of 1994 will also provide workers financial support when they need it to let them complete meaningful retraining programs.

Sixth is accountability. The Reemployment Act of 1994 aims to restructure the incentives facing service providers to begin focusing on workers as customers. Providers who deliver high-quality services for the customer and achieve positive outcomes will prosper in the new system. Those who fail to do so will see their funding dry up.

The Reemployment Act of 1994 will create a new comprehensive reemployment system that will enhance service, improve access, and assist Americans in finding good new jobs. This is a responsible proposal that is fully offset over the next 5 years.

I urge the Congress to give this legislation prompt and favorable consideration so that Americans will have available a new, comprehensive reemployment system that works for everyone.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 15, 1994.*

A BILL

To establish a comprehensive system of reemployment services, training and income support for permanently laid off workers, to facilitate the establishment of one-stop career centers to serve as a common point of access to employment, education and training information and services, to develop an effective national labor market information system, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Reemployment Act of 1994".

SEC. 2. TABLE OF CONTENTS.

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SEC. 3. FINDINGS AND PURPOSE.

(a) FINDINGS.--Congress finds that--

(1) In recent years, both the nature of job uncertainty and job loss has changed due to such forces as evolving technologies, corporate restructuring, and intensifying global competition;

(2) A substantial number of Americans lose jobs because of structural changes in the economy rather than cyclical downturns, with more than 2 million full-time workers permanently displaced annually due to plant closures, production cutbacks, and layoffs;

(3) Job uncertainty and dislocation carry substantial emotional and financial costs to the nation, with tax revenues and economic output declining when workers are idle and demands on government support rise;

(4) All Americans -- whether seeking first jobs, new jobs, or better jobs -- confront an economy in continuous transition and must have access to new skills and better job and career information in order to harness this change for increased economic security and a rising standard of living;

(5) Our current worker adjustment policies were designed for an earlier economy and often do not equip Americans to prosper in the current and emerging atmosphere of constant change;

(6) The primary governmental response to job loss -- the unemployment insurance system -- is effective in providing income support to persons on temporary lay-offs, but was not designed to build reemployment security, and is

ill-equipped by itself to ensure that those people who are permanently laid off will receive needed reemployment services;

(7) The current government response to dislocation is a patchwork of categorical programs, with varying eligibility requirements and different sets of services and benefits;

(8) Job search assistance and retraining are not available to all who need them and income support is typically not available to facilitate long-term training;

(9) A lack of comprehensive labor market information--

(A) means that job seekers, training providers, and employers must make hiring and training decisions based on fragmented and incomplete data;

(B) adds time and costs to employers' recruitment efforts; and

(C) hinders the ability of rapidly-growing firms to recruit and screen new employees;

(10) Administrative and regulatory obstacles hamper the efforts of States and localities to establish comprehensive reemployment systems for all their citizens seeking first jobs, new jobs, and better jobs.

(b) PURPOSE.--It is the purpose of this Act to--

(1) Better integrate the existing unemployment system into a comprehensive, universal, high-quality system for reemployment, so that it can serve effectively the

structurally unemployed as well as those on temporary layoffs;

(2) Promote equity and efficiency by consolidating the array of specific programs for dislocated workers into a single comprehensive program for all workers who have been permanently laid off, regardless of the cause of dislocation;

(3) Facilitate effective, quality training for permanently laid-off workers who want and need it;

(4) Provide customer-centered, high-quality employment and training services that give dislocated workers the tools to make informed career and training choices;

(5) Provide universal access to basic reemployment services, including assessment of skill levels and service needs, labor market information, and job search assistance;

(6) Begin to transform the fragmented employment and training system through a network of streamlined, one-stop career centers providing universal access to all Americans who want and need new jobs, better jobs, and first jobs;

(7) Replicate and expand the innovative efforts of States and localities to provide comprehensive, high-quality reemployment and training systems; and

(8) Create a National Labor Market Information System that gives employers, training providers, students, job seekers, and employees high-quality and timely data on the

local economy, labor market, and other occupational information.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) TITLE I.--There are authorized to be appropriated to carry out title I--

(1) $1,465,000,000 for fiscal year 1995; and

(2) such sums as may be necessary for each succeeding fiscal year.

(b) TITLES III and IV.--There are authorized to be appropriated to carry out titles III and IV--

(1) $250,000,000 for each of fiscal years 1995 through 1999; and

(2) such sums as may be necessary for each of fiscal years 2000 through 2003.

SEC. 5. DEFINITIONS.

For the purposes of this Act, the following definitions apply:

(1) The term "career center" means such center established pursuant to section 118.

(2) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide education, training and related services.

(3) The term "economic development agencies" includes State and local planning and zoning commissions or boards, community development agencies, and other State and local agencies and

institutions responsible for regulating, promoting, or assisting in State and local economic development.

(4) The term "Governor" means the chief executive of any State.

(5) The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable commuting distance or can change employment without changing their place of residence. Such areas shall be identified by the Secretary in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor or the Bureau of the Census of the Department of Commerce in defining such areas.

(6) The term "local elected official" means the chief elected executive officer of a unit of general local government in a substate area.

(7) The term "nontraditional employment" as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

(8) The term "one-stop career center" means such center established pursuant to section 313.

(9) The term "private industry council" means the private industry council established under section 102 of the Job Training Partnership Act.

(10) The term "representatives of employees" means representatives from labor organizations (including local, State,

or national bodies, as appropriate) where such organization represents a substantial number of employees.

(11) The term "Secretary" means the Secretary of Labor.

(12) The term "service delivery area" means such an area as established in section 101 of the Job Training Partnership Act.

(13) The term "service provider" means a public agency, private nonprofit organization, or private-for-profit entity that delivers basic reemployment, intensive reemployment, educational, training, or supportive services.

(14) The term "State" means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

(15) The term "State council" means the State job training coordinating council established under section 122 of the Job Training Partnership Act.

(16) The term "State Human Resource Investment Council" means the council established under section 701 of the Job Training Partnership Act.

(17) The term "substate area" means that geographic area in a State established pursuant to section 117.

(18) The term "substate grantee" means that agency, organization, or consortium thereof selected to administer programs pursuant to section 117(b).

(19) The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

TITLE I--COMPREHENSIVE PROGRAM FOR WORKER REEMPLOYMENT

SEC. 101. ALLOTMENT OF FUNDS.

(a) IN GENERAL.--Of the funds appropriated pursuant to section 4(a) for any fiscal year, the Secretary shall--

(1) allot 75 percent among the States in accordance with subsection (b); and

(2) reserve 25 percent to carry out part B, subject to the reservation required by subsection (e).

(b) ALLOTMENT AMONG STATES.--(1) Subject to the provisions of paragraphs (2) and (3), the Secretary shall allot the amount available in each fiscal year under subsection (a)(1) on the basis of the following factors:

(A) One-third of such amount shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States.

(B) One-third of such amount shall be allotted among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this paragraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.

(C) One-third of such amount shall be allotted among the States on the basis of the relative number of

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individuals who have been unemployed for more than 26 weeks and who reside in each State as compared to the total number of such individuals in all the States.

(2) As soon as satisfactory data are available under section 133(b)(2), the Secretary shall allot the amount available in each fiscal year under subsection (a)(1) as follows:

(A) 25 percent of such amount shall be allotted on the basis of each of the factors described in subparagraphs (A), (B), and (C) of paragraph (1), respectively, for a total of 75 percent of the amount allotted; and

(B) 25 percent of such amount shall be allotted on the basis of the relative number of dislocated workers who reside in each State as compared to the total number of dislocated workers in all States.

(3)(A) No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(B) No State shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(C)(i) Except as provided in clause (ii), for purposes of this paragraph the allotment percentage of a State for a fiscal year shall be the percentage of funds allotted to the State under this subsection.

(ii) For the purposes of this paragraph, the allotment percentage for fiscal year 1994 shall be the percentage of funds allotted to the State under section 302 of the Job Training Partnership Act.

(c) **RESERVATIONS FOR STATE ACTIVITIES.**--

(1) The Governor may reserve up to 30 percent of the amount allotted to the State under subsection (b) to carry out State activities in accordance with this title.

(2) Of the amount reserved by the Governor pursuant to paragraph (1):

(A) Not more than 15 percent shall be available for the costs of administration of programs authorized under this title;

(B) Not more than 20 percent shall be available for the costs of administration of programs authorized under this title and the costs of technical assistance; and

(C) Not more than 5 percent shall be available to carry out the job retention projects authorized under section 116.

(d) WITHIN STATE DISTRIBUTION.--

(1) The Governor shall allocate the remainder of the amount allotted to the State under subsection (b) to substate areas to carry out activities authorized under this title based on an allocation formula prescribed by the Governor. Such formula may be amended by the Governor not more than once for each program year. Such formula shall include the factors described in subsection (b) and such

additional objective and measurable factors as the Governor determines are appropriate.

(2) Of the amount allocated to each substate area pursuant to paragraph (1) for each program year, not more than 15 percent shall be available for the costs of administration.

(e) RESERVATION FOR THE TERRITORIES.--Of the amount reserved by the Secretary under subsection (a)(2) for any fiscal year, not more than 0.3 percent shall be allocated among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau to carry out activities authorized under this title.

(f) RESERVATIONS FOR NATIONAL ACTIVITIES.--Of the remainder reserved by the Secretary under subsection (a)(2):

(1) For each of fiscal years 1995 through 1999--

(A) Not less than 80 percent shall be available for national discretionary grants under sections 131 and 132; and

(B) Not more than 20 percent shall be available for--

(i) evaluation of program performance, research, and pilot and demonstration projects described in section 133; and

(ii) capacity building, staff development and training, and technical assistance described under section 134.

(2) For fiscal year 2000 and each succeeding fiscal year--

(A) Not less than 85 percent shall be available for national discretionary grants under sections 131 and 132; and

(B) Not more than 15 percent shall be available for--

(i) evaluation of program performance, research, and pilot and demonstration projects described in section 133; and

(ii) capacity building, staff development and training, and technical assistance described under section 134.

SEC. 102. **RECAPTURE AND USE OF UNEXPENDED FUNDS.**

(a) IN GENERAL.--For program years beginning July 1, 1996 and thereafter, the Secretary shall, in accordance with this section--

(1) recapture funds appropriated for such program years that are available for recapture, and

(2) use the funds recaptured under paragraph (1) to carry out the national discretionary grant program under section 131.

(b) **AMOUNTS AVAILABLE FOR RECAPTURE.**--The amount available for recapture is equal to--

(1) the amount by which the unexpended balance of the State allotment (under section 101(b)) at the end of the program year prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for that prior program year, plus

(2) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.

(c) **EXCLUSION.**--For purposes of this section, funds awarded to the State from the discretionary funds of the Secretary pursuant to sections 131 and 132 shall not be included in calculating the amounts available for recapture.

(d) **METHOD OF RECAPTURE.**--The Secretary may, as a method of recapturing funds for the purposes of subsection (a)(1), reduce the allotment to the State under section 101(b) for the program year subsequent to the program year for which the determination is made by an amount equal to the amount available for recapture.

SEC. 103. ELIGIBILITY FOR SERVICES.

(a) **IN GENERAL.**--An individual shall be eligible to receive services under this title if such individual --

(1) has been permanently laid off from full-time, part-time, or seasonal (including farmworkers and fishermen) employment within the preceding 12-month period, and

(A) such individual is unlikely to obtain employment in the same or similar occupation due to obsolete skills or a lack of employment opportunities; or

(B) such layoff resulted from any permanent closure or any substantial layoff at a plant, facility or enterprise;

(2) has received a notice that such individual will be permanently laid off, and

(A) such individual is unlikely to obtain employment in the same or similar occupation due to obsolete skills or a lack of employment opportunities; or

(B) such layoff will result from any permanent closure or substantial layoff at a plant, facility, or enterprise;

(3) is employed at a facility where the employer has publicly announced that such facility will be closed within one year and such individual is unlikely to--

(A) remain employed with such employer at another location; or

(B) retire permanently from the labor force on or before such closure;

(4) is long-term unemployed and has limited opportunities for employment in the same or similar occupation in which such individual was previously employed;

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(5) was self-employed (including farmers, fishermen and ranchers) and is unemployed as a result of general economic conditions in the community in which such individual resides or because of natural disasters;

(6) is certified as eligible under the transitional certification of trade impacted workers program authorized under part D of title II of this Act; or

(7) was identified and referred to the program under this title, in accordance with regulations issued by the Secretary, by a State worker profiling system established under section 303(j) of the Social Security Act.

(b) DISPLACED HOMEMAKERS.--An individual who is a displaced homemaker shall be eligible to receive services described in section 119(b) and such other services authorized under this title as the Governor determines are appropriate to provide to such individuals if--

(1) the displacement occurred within the preceding 12-month period,

(2) such individual is unemployed, and

(3) such individual meets the requirements relating to services provided under this title, other than the requirements of subsection (a).

(c) DEFINITIONS.--For purposes of this section:

(1) The term "permanently laid off" means a layoff under which a recall is not expected within 26 weeks.

(2) The term "long-term unemployed" means a period of unemployment defined by the Governor, except that such period shall not be less than 27 weeks.

(3) The term "displaced homemakers" has the same meaning given such term in section 4(29) of the Job Training Partnership Act.

PART A--STATE AND SUBSTATE DELIVERY SYSTEM

SEC. 111. STATE ADMINISTRATION AND OVERSIGHT.

The State shall be responsible for developing and operating administrative and management systems which ensure proper control and accountability for the use of funds, in accordance with the requirements of part E of this title, and the accomplishment of the objectives of this title.

SEC. 112. DESIGNATION AND FUNCTIONS OF STATE DISLOCATED WORKER UNIT.

(a) IN GENERAL.--The Governor shall designate or establish a dislocated worker unit at the State level (hereafter referred to as the "State dislocated worker unit") to carry out the functions described in this section.

(b) FUNCTIONS OF UNIT.--

(1) RAPID RESPONSE.--The State dislocated worker unit shall carry out the following rapid response activities:

(A) receive notices provided pursuant to the Worker Adjustment and Retraining Notification Act and collect information identifying the site of other permanent closures and layoffs affecting 50 or more workers;

(B) establish contact with representatives of the employer, affected workers and affected unions, and affected substate grantees within 48 hours of being informed of or otherwise identifying such closure or layoff;

(C) provide assistance on site within five working days of being informed of or otherwise identifying such closure or layoff (unless representatives of the affected workers agree to defer the commencement of assistance), including--

(i) the provision of information relating to, and assistance in obtaining access to, available programs and services;

(ii) the provision of appropriate reemployment services on an emergency basis; and

(iii) the provision of basic reemployment services in a group setting;

(D) promote the formation of worker-management transition assistance committees, which meet the requirements of subsection (d), by--

(i) providing immediate assistance in the establishment of such committees, including--

(I) providing immediate financial assistance to cover start-up costs of the committee;

(II) providing a list of individuals from which the chairperson of the committee may be selected; and

(III) requesting the list of committee members from the employer and union, or providing assistance in the selection of worker representatives in the event no union is present; and

(ii) providing technical assistance in the development by such committees of a strategy for assessing the employment and training needs of each affected worker and for obtaining the services and assistance necessary to meet those needs, which may include--

(I) providing technical advice as well as information on sources of assistance, and

(II) serving as liaison with other public and private services and programs;

(E) prepare an action plan for the provision of reemployment and training services to eligible individuals, including group counseling, preliminary assessments, and labor market information, which may include assistance in planning for the establishment of an on-site transition center described in section 115(c).

(2) INFORMATION COLLECTION AND DISSEMINATION.--The State dislocated worker unit shall carry out the following information collection and dissemination activities:

(A) provide to employers and employees throughout the State information relating to the Worker Adjustment and Retraining Notification Act, including the requirements of such Act, and information relating to the eligibility requirements and services and benefits available under this title;

(B) collect information relating to--

(i) economic dislocation, including potential closings and layoffs and the impact of closures and layoffs to which such unit has responded, and

(ii) available programs and resources within the State to serve affected workers;

(C) disseminate the information collected pursuant to subparagraph (B) to the Governor to assist in providing an adequate information base for effective program management, review, and evaluation; and

(D) disseminate information throughout the State on the services and activities carried out by the State dislocated worker unit.

(3) PROGRAM SUPPORT.--The State dislocated unit shall carry out the following program support activities:

(A) provide technical assistance and advice to substate grantees;

(B) work with employers and representatives of employees in promoting labor-management cooperation to achieve the objectives of this title; and

(C) assist each local community affected by a mass layoff or plant closing in developing and implementing an adjustment plan, including assistance in obtaining access to State economic development assistance.

(4) COORDINATION.--The State dislocated worker unit shall exchange information and coordinate programs with:

(A) the appropriate economic development agency and job retention projects authorized under section 116, for the purpose of identifying potential layoffs and for the purpose of developing strategies to avert plant closings or mass layoffs and to accelerate the reemployment of dislocated workers;

(B) State education, training and social services programs;

(C) State labor federations;

(D) State-level general purpose business organizations; and

(E) all other programs available to assist dislocated workers, including the Employment Service, the unemployment insurance system, one-stop career centers established under title III of this Act, and student financial aid programs.

(c) COORDINATION WITH CAREER CENTERS.--In carrying out this section, the State dislocated worker unit shall coordinate its actions with the affected substate grantees and career centers.

(d) WORKER-MANAGEMENT TRANSITION ASSISTANCE COMMITTEES.--The worker-management transition assistance committees promoted by the State dislocated worker unit pursuant to subsection (b)(1)(D) shall ordinarily include (but not be limited to) the following:

(1) shared and equal participation by workers (and their representatives) and management, and which may include participation from community representatives as appropriate;

(2) shared financial participation between the employer and the State, using funds provided under this title in paying for the operating expenses of the committee;

(3) a chairperson, to oversee and guide the activities of the committee, who shall --

(A) be jointly selected by the worker and management representatives of the committee,

(B) not be employed or under contract with or members of the immediate family of labor or management at the site, and

(C) provide advice and leadership to the committee and prepare a report on its activities; and

(4) operations pursuant to a formal agreement, terminated at will by the workers or management, and terminated for cause by the Governor.

(e) COVERAGE OF LAYOFFS.--The Governor may authorize the provision of the rapid response activities described in subsection (b)(1) to layoffs of less than 50 workers if such layoffs are determined by the Governor to have a significant adverse economic impact on a local community.

(f) PLANT BUYOUT STUDY.--In a situation involving an impending permanent closure or substantial layoff, a State may provide funds, where other public or private resources are not expeditiously available, for a preliminary assessment of the advisability of having a company or group, including the workers, purchase the plant and continue it in operation. Such assessment shall not include a feasibility study relating to such purchase.

(g) PROHIBITION ON TRANSFER OF RESPONSIBILITY.--The State shall not transfer the responsibility for the rapid response assistance functions of the State unit under this section to another entity, but the State may carry out such functions through agreement, grant, contract, or other arrangement with another entity, such as a substate grantee or a career center.

(h) FEDERAL OVERSIGHT OF RAPID RESPONSE.--The Secretary shall oversee the administration by each State of the rapid response assistance services provided in such State and evaluate the effectiveness, efficiency, and timeliness of the delivery of such services. The Secretary may establish performance standards relating to the provision of such services by the State. If the Secretary determines that such services are not being performed adequately, the Secretary shall implement appropriate corrective action.

SEC. 113. DEVELOPMENT AND MAINTENANCE OF STATE AND LOCAL LABOR MARKET INFORMATION SYSTEMS.

(a) IN GENERAL.-- In furtherance of the national strategy described in section 402 of this Act to establish a nationwide system of effective labor market information, the Governor shall identify, or develop, and maintain a comprehensive labor market information system in the State that--

(1) promotes the collection, use, exchange, and dissemination of quality labor market information that will enhance the employment opportunities available to permanently laid off workers and other individuals seeking employment, and

(2) provides support for needed improvements or adjustments in current labor market information systems and integrates such systems to meet local and State labor market needs.

(b) CONTENT.--The labor market information described in subsection (a)(1) shall include the information specified in section 403(a) of this Act relating to the national labor market information system.

(c) STANDARDS FOR INFORMATION COLLECTION AND DISSEMINATION-The Governor shall ensure that data collection and dissemination systems are developed in accordance with the technical standards specified in section 403(b) of this Act relating to the national labor market information system.

(d) COORDINATION OF DATA COLLECTION AND SURVEY CONSOLIDATION--Consistent with the technical standards specified in section 403(b), the Governor shall ensure, to the extent feasible that--

(1) automated technology will be used in data collection and dissemination;

(2) the State dislocated worker unit, the substate grantees, and the career centers under this title have timely access to and exchange information relating to quality labor market information;

(3) administrative records are designed to reduce paperwork; and

(4) available administrative data and multiple surveys are shared or consolidated to reduce duplication of record-keeping of State and local agencies.

(e) DESIGN OF STATE SYSTEM.--The Governor shall designate an agent within the State to be responsible for oversight and management of a statewide comprehensive labor market and occupational information system that--

(1) meets the requirements of this section;

(2) provides such training and technical assistance necessary to facilitate the collection of data and the dissemination of information through the programs assisted under this title;

(3) provides funding for the State share of the cooperative agreements authorized in section 402; and

(4) funds research, evaluation, and demonstration projects designed to make improvements in the statewide labor market information system.

(f) COORDINATION OF RESOURCES.--The Governor shall coordinate the activities carried out under this title with the labor market information activities carried out in the State pursuant to other Federal laws and with the national labor market information program described in title IV of this Act. In maintaining the system described under this section, the Governor may use funds that are otherwise available to the Governor for such purposes under other Federal laws, such as the Job Training Partnership Act and the Wagner-Peyser Act.

(g) METHODS OF COLLECTION AND DISSEMINATION--In order to facilitate the collection and dissemination of the data described in subsection (b), the Governor shall:

(1) Identify and utilize cost-effective methods for obtaining such data as are necessary to carry out this section which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, records collected under the Federal Insurance Contributions Act (chapter 21 of the Internal Revenue Code of 1986), State aid to families with dependent children records, secondary and post-secondary education records, and similar records or measures, with appropriate

safeguards to protect the confidentiality of the information obtained; and

(2) Publish and make available labor market and occupational supply and demand information and career information to State agencies, public agencies, libraries, employers, and individuals who are in the process of making career choices.

SEC. 114. COORDINATION WITH WORKER PROFILING AND RETRAINING INCOME SUPPORT PROGRAMS.

(a) WORKER PROFILING.-- The Governor shall coordinate programs under this title with the worker profiling system authorized under title III of the Social Security Act. Such coordination shall include methods for ensuring the prompt referral, in accordance with regulations issued by the Secretary, of the claimants identified under such profiling system to career centers authorized under this title, and the sharing of relevant information.

(b) RETRAINING INCOME SUPPORT.-- The Governor shall coordinate programs under this title with the retraining income support program authorised under part A of title II of this Act.

SEC. 115. STATE SUPPLEMENTARY GRANTS FOR AREAS OF SPECIAL NEED.

(a) IN GENERAL.-- The Governor may award grants to provide the services authorised under section 119 to eligible individuals in areas of the State experiencing substantial increases in the number of eligible individuals due to plant closures, base closures and mass layoffs.

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(b) ELIGIBLE ENTITIES.--The grants authorized under subsection (a) may be awarded to--

(1) the substate grantees in the areas affected by such closures and mass layoffs;

(2) employers and employer associations;

(3) transition assistance committees and other employer-employee entities;

(4) representatives of employees;

(5) industry consortia; and

(6) State agencies.

(c) ESTABLISHMENT OF ADDITIONAL SERVICE CENTERS.--

(1) IN GENERAL.--The Governor may use the grant funds available under this section to establish a center, including an on-site transition center described in paragraph (2), at the site of a plant closure, base closure or mass layoff to provide the services described in section 119. Such center shall be established after formal consultation with the substate grantee for the affected area and shall be operated in coordination with the career centers in the affected area.

(2) ON-SITE TRANSITION CENTERS.--Funds available under this section may be used to establish a transition center that--

(A) is located at the site of a plant closure, base closure, or mass layoff for the purpose of providing reemployment services to eligible individuals affected by such layoff or closure,

(B) includes substantial funding from sources other than public funds,

(C) is operated with the concurrence and participation of affected workers and their representatives and the affected employer, including the worker-management transition assistance committee established in accordance with section 112(d) if such committee is established,

(D) provides the reemployment services described in sections 119(b) and (c) directly or through contracts with other entities, such as outplacement agencies, and

(E) is administered in coordination with the career centers in the substate area, including arrangements to ensure that the affected workers have the opportunity to receive services at the career centers in addition to or in lieu of receiving such services at the transition center.

SEC. 116. STATE GRANTS FOR JOB RETENTION PROJECTS.

(a) IN GENERAL.--The Governor may, consistent with the limitation contained in section 101(c)(2)(B), award grants to assist projects that--

(1) provide services to upgrade the skills of employed workers who are at risk of being permanently laid off; and

(2) assist in retraining employed workers in new technologies and work processes that will facilitate the conversion or restructuring of businesses into high performance work organizations and avert plant closings or substantial layoffs.

(b) STATE AND EMPLOYER CONTRIBUTION REQUIRED.--In order for a project to be eligible for assistance under subsection (a), the amount of the grant to be awarded shall be matched by an equal amount provided by a combination of--

(1) funds provided by the State, from funds other than federal funds; and

(2) funds provided by the affected employers or businesses.

(c) CONSULTATIONS.--Prior to awarding grants under this section, the Governor shall consult with unions representing affected workers regarding the proposed projects.

SEC. 117. ESTABLISHMENT OF SUBSTATE ADMINISTRATIVE STRUCTURE.

(a) DESIGNATION OF SUBSTATE AREAS.--

(1) The Governor of each State shall, after consultation with the State council and local elected officials, designate substate areas for the State.

(2) Each service delivery area within a State shall be included within a substate area and no service delivery area shall be divided among two or more substate areas.

(3) In making designations of substate areas, the Governor shall consider--

(A) the availability of services throughout the State;

(B) the capability to coordinate the delivery of services with other job training, human services and economic development programs; and

(C) the geographic boundaries of labor market areas within the State.

(4) Subject to paragraphs (2) and (3), the Governor--

(A) shall designate as a substate area any single service delivery area that--

(i) has a population of 200,000 or more, and

(ii) requests such designation;

(B) shall designate as a substate area any two or more contiguous service delivery areas--

(i) that in the aggregate have a population of 200,000 or more, and

(ii) that request such designation; and

(C) shall designate as a substate area any concentrated employment program grantee for a rural area described in section 101(a)(4)(A)(iii) of the Job Training Partnership Act.

(5) The Governor may deny a request for designation under paragraph (4)(B) if the Governor determines that such designation would not be consistent with the effective delivery of services to eligible dislocated workers in various labor market areas (including urban and rural areas)

within the State, or would not otherwise be appropriate to carry out the purposes of this title.

(6) The Governor shall not designate as a substate area any area with a population of less than 200,000 unless such area meets the requirements of paragraph (4)(C).

(7) From the funds reserved under section 101(c)(1), the Governor may award grants to encourage the formation of substate areas that are based on labor market areas.

(8) The Governor may designate as substate areas under this title areas designated as substate areas under title III of the Job Training Partnership Act prior to the enactment of this Act if such areas meet the requirements of this subsection.

(9) The designations made under this subsection may not be revised more than once every four years.

(b) DESIGNATION OF SUBSTATE GRANTEES.--

(1) AGREEMENT--A substate grantee shall be designated, on a quadrennial basis, for each substate area. Such substate grantee shall be designated in accordance with an agreement among the Governor, the local elected official or officials of such area, and the private industry council or councils of such area. Whenever a substate area is represented by more than one such official or council, the respective officials and councils shall each designate representatives, in accordance with procedures established by the Governor (after consultation with the State council),

to negotiate such agreement. In the event agreement cannot be reached on the selection of a substate grantee, the Governor shall select the substate grantee.

(2) ELIGIBILITY.--Entities eligible for designation as substate grantees include--

(A) private industry councils in the substate area;

(B) service delivery area grant recipients or administrative entities under the Job Training Partnership Act;

(C) private nonprofit organizations;

(D) units of general local government in the substate area, or agencies thereof;

(E) local offices of State agencies;

(F) other public agencies, such as community colleges and area vocational schools; and

(G) consortia of the entities described in subparagraphs (A) through (F).

(c) FUNCTIONS OF SUBSTATE GRANTEES.--

(1) IN GENERAL.--Except as provided in paragraph (2), the substate grantees designated pursuant to this subsection shall--

(A) receive and administer funds allocated to the substate area, including the administration of payments to service providers in accordance with section 119(d)(2);

(B) administer the process for the selection of career center operators established pursuant to section 118;

(C) conduct oversight and monitoring of the program carried out within the substate area and coordinate the operation of the career centers established within the substate area; and

(D) prepare and make publically available a biennial written plan describing the objectives to be accomplished and the activities to be undertaken in the substate area under this title.

(2) SPECIAL RULE.--

(A) SELECTION PROCESS FOR CAREER CENTER OPERATORS.--If a substate grantee desires to be selected to operate a career center, the process for the selection of career center operators in the substate area shall be administered by the private industry council or councils established in such substate area. If such substate grantee is such private industry council, the process for the selection of career center operators in the substate area shall be administered by the Governor.

(B) OVERSIGHT.--If a substate grantee is selected to operate a career center, the oversight of the career centers in the substate area shall be carried out by the Governor.

SEC. 118. ESTABLISHMENT OF CAREER CENTERS.

(a) IN GENERAL.--The substate grantee designated pursuant to section 117 shall, in accordance with the requirements of this section, establish one or more career centers in each substate area.

(b) FUNCTIONS OF CENTERS.--Each career center shall be the point of access for eligible individuals to the services provided pursuant to section 119.

(c) SELECTION OF CENTERS.--

(1) SELECTION PROCESS.--The substate grantee shall select the career center operators in accordance with the requirements of this subsection.

(2) ELIGIBLE ENTITIES.--Any entity or consortium of entities located in the substate area may apply, in accordance with the procedures described in paragraph (3), to be selected as a career center operator. Such entities may include--

(A) Employment Service offices,

(B) service delivery area grant recipients or administrative entities under the Job Training Partnership Act,

(C) substate grantees under this title,

(D) community colleges and area vocational schools,

(E) community-based and other private, nonprofit organizations, and

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(F) other interested private for-profit and public organizations and entities.

(3) **PUBLICATION OF PROCEDURES.**--The substate grantee, after consultation with the Governor and local elected officials, shall publish, in a manner that is generally available, information to notify organizations and individuals in the substate area of--

(A) the estimated number of career centers to be established in the substate area;

(B) the application procedure for any entity or consortium of entities desiring to be selected to operate such centers, including when and where such application is to be submitted and what information such application is to contain;

(C) the criteria for selection that will be used, consistent with paragraph (4); and

(D) other information the substate grantee considers relevant to the selection of operators and administration of such centers.

(4) SELECTION CRITERIA.--

(A) OBJECTIVE FACTORS.--The substate grantee, consistent with guidelines issued by the Secretary, shall use objective criteria and performance measures in assessing applications submitted for selection as a career center operator.

(B) CONTENTS.--An applicant may not be selected as a career center operator under this title unless such applicant demonstrates to the satisfaction of the substate grantee the ability to operate a career center that would--

(i) provide the services described in section 119;

(ii) utilize automated information systems to facilitate the exchange of information among career centers;

(iii) meet the performance standards prescribed pursuant to section 152;

(iv) meet the fiscal control requirements provided in part E;

(v) administer the process of referring participants to education and training services in an objective and equitable manner; and

(vi) meet such other requirements as the substate grantee determines is appropriate.

(C) LEVEL OF WAGES AND BENEFITS.--The level of wages and benefits paid to non-managerial employees by an applicant may not be considered as a factor in the selection of a career center operator. Other cost factors may be taken into account in such selection.

(5) **PERIOD OF SELECTION.**--The substate grantee shall select career center operators pursuant to the requirements of this subsection once every four years.

(6) **ENFORCEMENT OF HONEST BROKER FUNCTIONS.**--The substate grantee shall review, at least once each program year, the education and training referral practices of any career center that is operated by an entity that concurrently provides education and training services to participants under this title. If the substate grantee determines that such center has engaged in a pattern of inappropriate referrals to the education and training services provided by the operator of such center, the substate grantee may terminate the agreement to operate such center or may require such operator to cease providing education and training services to participants under this title as a condition for continuing to operate such center.

(d) ON-SITE TRANSITION CENTERS.--In addition to the career centers established under this section, a substate grantee may use funds allocated to the substate area to establish temporary, on-site transition centers that meet the requirements described in section 115(c)(2). Such centers may be established pursuant to grants, contracts, or other arrangements with the entities described in subsection (c)(2) of this section.

SEC. 119. SERVICES TO BE PROVIDED TO ELIGIBLE INDIVIDUALS.

(a) IN GENERAL.--Funds allocated to substate areas pursuant to section 101(d) may be used to provide--

(1) basic reemployment services in accordance with subsection (b);

(2) intensive reemployment services in accordance with subsection (c);

(3) education and training services in accordance with subsection (d);

(4) retraining income support in accordance with subsection (e);

(5) supportive services in accordance with subsection (f); and

(6) supplemental wage allowances for older workers in accordance with subsection (g).

(b) BASIC REEMPLOYMENT SERVICES.-- Each career center established pursuant to this title shall make available to eligible individuals the following services:

(1) outreach and provision of information to make individuals aware of, and encourage the use of, reemployment and training services, including efforts to expand awareness of training and placement opportunities for hard-to-serve individuals such as those with limited English proficiency and those with disabilities;

(2) intake and determination of eligibility for assistance under this title;

(3) orientation to the information and services available through such center;

(4) assistance in filing an initial claim for unem-

ployment compensation;

(5) a preliminary assessment of the skill levels (including appropriate testing) and service needs of such individuals, which may include such factors as basic skills, occupational skills, prior work experience, employability, interests, aptitudes, and supportive service needs;

(6) information relating to local, regional and national labor markets, including--

(A) job vacancy listings in such markets, and

(B) information relating to local occupations in demand and the earnings and skill requirements for such occupations;

(7) job search assistance, including resume and interview preparation, and workshops;

(8) job referral and job placement assistance;

(9) information relating to education and job training programs, including the eligibility requirements of and services provided by such programs, the availability and quality of such programs, and student financial assistance available for such programs;

(10) assistance in evaluating whether such individuals are likely to be eligible for any employment and training programs administered by the Secretary other than this title;

(11) information collected pursuant to the performance standards and quality assurance requirements of part C of this title;

(12) information relating to programs and providers of dependent care and other supportive services available in the local area;

(13) group counseling, which may include peer counseling, and which shall be available to such individuals jointly with their immediate families, including group counseling relating to stress management and financial management; and

(14) soliciting and accepting job orders submitted by employers in the substate area, and referring individuals in accordance with such orders.

(c) INTENSIVE REEMPLOYMENT SERVICES.--

(1) IN GENERAL.--Each career center established pursuant to this title shall make available, to eligible individuals who have received basic reemployment services under subsection (b) and have been unable to obtain employment through such services, the following services:

(A) comprehensive and specialized assessments of the skill levels and service needs of individuals, which may include--

(i) diagnostic testing and other assessment tools; and

(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

(B) the development of an individual reemployment plan, which shall identify the employment goal (including, in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and the appropriate combination of services for a participant to achieve the employment goal;

(C) individualized counseling and career planning, including peer counseling and counseling and planning relating to nontraditional employment opportunities;

(D) case management for individuals receiving education, training and supportive services;

(E) job development;

(F) out-of-area job search allowances;

(G) relocation allowances;

(H) assistance in the selection of education and training providers;

(I) assistance in obtaining income support for which the individual is eligible, including student financial assistance, to enable such individual to participate in training; and

(J) follow-up counseling for individuals placed in training or employment.

(2) ADDITIONAL CONDITIONS.--

(A) REEMPLOYMENT PLAN.--

(i) JOINT DEVELOPMENT.--The individual reemployment plan described in paragraph (1)(B) shall be developed jointly by the eligible individual and a career counselor. Both parties shall sign the plan and periodically review the progress of the individual in achieving the objectives set forth in the plan. In the event of a disagreement over the content of the plan, the eligible individual shall be provided an opportunity to appeal the career counselor's recommendation pursuant to section 164.

(ii) EMPLOYMENT GOAL.--The employment goal identified under an individual reemployment plan described under paragraph (1)(B) shall relate to employment in an occupation for which there is a demand in the local area, or in another area to which the individual is willing to relocate.

(iii) PROHIBITION ON PRIVATE ACTIONS.--Nothing in this section shall be construed to establish a right for an individual to bring a private action to obtain the services described in the reemployment plan.

(B) OUT-OF-AREA JOB SEARCH ALLOWANCE.--

(i) IN GENERAL.--Out-of-area job search allowances provided under paragraph (1)(F) shall

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provide reimbursement to the individual of not more than 90 percent of the cost of necessary job search expenses, up to a maximum payment specified by the Secretary in regulations.

(ii) CRITERIA FOR GRANTING JOB SEARCH ALLOWANCES.--A job search allowance may be granted only--

(I) to assist an eligible individual in securing a job within the United States; and

(II) where the career center determines that such employee cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

(C) RELOCATION ALLOWANCE.--

(i) IN GENERAL.--Relocation allowances provided under paragraph (1)(G) may only be granted to assist an eligible individual in relocating within the United States and only if the career center determines that such employee--

(I) cannot reasonably be expected to secure suitable employment in the commuting area in which the employee resides;

(II) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which the employee wishes to relocate, or has obtained a bona fide offer of such employment, and

(III) is totally separated from employment at the time relocation commences.

(ii) AMOUNT OF RELOCATION ALLOWANCE.--The amount of any relocation allowance for any eligible individual may not exceed an amount which is equal to the sum of--

(I) 90 percent of the reasonable and necessary expenses, specified in regulations prescribed by the Secretary, incurred in transporting an individual and the individual's family, if any, and household effects, and

(II) a lump sum equivalent to 3 times the employee's average weekly wage in the previous job, up to a maximum payment specified by the Secretary in regulations.

(d) EDUCATION AND TRAINING.--

(1) AVAILABLE SERVICES.--Each career center shall make available a list of eligible providers of--

(A) basic skills training, including remedial education, literacy training, and English-as-a-second language instruction;

(B) occupational skills training, provided either in a classroom or on-the-job; and

(C) other skills-based education and training that such center considers appropriate, which may include entrepreneurial training and training in skills required for high performance work organizations, such as problem solving and skills related to the use of new technologies.

(2) **REFERRALS**.--An eligible individual who has an individual reemployment plan developed pursuant to subsection (c)(1)(B) that specifies education and training services as are necessary to the reemployment of such individual shall, in consultation with a career counselor, select a service provider for such services from the list described in paragraph (1). The career centers shall refer such individuals to such service providers and arrange with the substate grantee for payment to the provider for the services provided consistent with the limitation contained in paragraph (5).

(3) ELIGIBLE PROVIDERS.--For the purposes of this title, an eligible provider of education and training services is a provider that meets the requirements of section 154.

(4) CONTRACT EXCEPTIONS.--Education and training services authorized under this title may be provided pursuant to a contract for services between the substate grantee and an eligible service provider in lieu of the

referral procedures described in paragraph (2) if such services--

(A) are customized by a provider to meet the particular needs of a specific group of eligible individuals in the substate area; or

(B) are on-the-job training provided by an employer.

(5) CAP ON TRAINING.--

(A) LIMITATION.--The program under this title shall not pay an amount in excess of $4750 for the provision of education and training to any individual under this subsection over any 12-month period.

(B) RELATIONSHIP TO STUDENT FINANCIAL ASSISTANCE.-

(i) For purposes of determining a student's need for grant, loan, or work assistance under title IV of the Higher Education Act of 1965, the funds provided to a participant for education and training under this subsection shall be considered to be estimated financial assistance not received under such title IV for the purpose of section 471 (3) of such Act.

(ii) Notwithstanding section 401(b) of such Act, the funds provided to a participant for education and training under this subsection shall be applied to reduce the student's cost of attendance (as defined in section 472 of such Act) prior to determining the amount of a student's Federal Pell Grant award under subpart 1 of part A of title IV of such Act, except that such reduction shall not result in a negative number.

(iii) Nothing in this Act shall be construed to modify the eligibility requirements applicable to students, programs of study, or institutions of higher education under title IV of such Act.

(6) LIMIT ON LENGTH OF TRAINING.--No participant may receive assistance from funds under this title for education or training for more than 104 weeks in a five-year period.

(7) APPROVED TRAINING.--

(A) RELATIONSHIP TO INCOME SUPPORT PROGRAM UNDER TITLE II.--For the purposes of the program authorized under part A of title II, the career centers shall be considered an agency certified by the Secretary to develop a reemployment plan.

(B) RELATIONSHIP TO UNEMPLOYMENT COMPENSATION.--An eligible individual participating in education and training services under this title shall be deemed to be in training with the approval of the State agency for the purposes of section 3304(a)(8) of the Internal Revenue Code of 1986.

(8) ON-THE-JOB TRAINING.--The provisions of paragraphs (5), (6), and (7) shall not apply to on-the-job training provided under this title. Such on-the-job training shall

be provided consistent with the limitations described in section 161(d).

(e) **RETRAINING INCOME SUPPORT.**--

(1) **IN GENERAL.**--Eligible individuals receiving education and training services pursuant to subsection (d) who meet the requirements for receiving retraining income support under part A of title II of this Act shall be referred to such program for such support. For program years 1995 through 1999, individuals who do not meet the requirements of such program but who do meet the requirements of paragraph (2) shall, to the extent appropriated funds are available, be provided retraining income support in accordance with this subsection.

(2) ELIGIBILITY.--An eligible individual shall, to the extent appropriated funds are available, be provided retraining income support in accordance with this subsection if such individual--

(A) has been permanently laid off;

(B) either--

(i) had been continuously employed at the time of such permanent layoff for a period of one year or more, but less than three years, by the employer from whom such individual has been permanently laid off; or

(ii) was continuously employed in the same occupation and industry by an employer for a period of one year or more and was, within the preceding 12-month period--

(I) separated from such employer, and

(II) employed in the same occupation and industry by the subsequent employer from whom such individual has been permanently laid off;

(C)(i) was entitled, as a result of the layoff described in subparagraph (A), to (or would have been entitled to if such individual had applied therefor) unemployment compensation under any Federal or State law for a week within the benefit period--

(I) in which the layoff took place, or

(II) which began (or would have begun) by reason of the filing of a claim for unemployment compensation by such individual after such layoff;

(ii) has exhausted all rights to any unemployment compensation to which such individual was entitled (or would have been entitled if such individual had applied therefor); and

(iii) does not have an unexpired waiting period applicable to such individual for such unemployment compensation;

(D) has been enrolled in education or training pursuant to subsection (d) by--

(i) the end of the 16th week after the permanent layoff described in subparagraph (A), or, if later, the end of the 14th week after such individual was informed that the layoff will exceed 6 months; or

(ii) a period that is not in excess of 30 days after the periods described in clause (i), in cases where the substate grantee determines, in accordance with guidelines issued by the Secretary, that there are extenuating circumstances that justify such extension, such as a cancellation of a course, a first available enrollment date that is after the periods described in subparagraph (A), or the commencement of negotiations for reopening a plant or facility from which an individual has been laid off; and

(E) is participating, and making satisfactory progress, in education or training provided pursuant to subsection (d).

(3) SPECIAL RULES.--

(A) CONTINUOUS EMPLOYMENT.--

(i) For purposes of clause (ii) of paragraph (2)(B) and subject to the limitations of clause (ii) of this subparagraph, continuous employment shall be deemed to include any week in which an individual--

(I) was on employer-authorized leave for purposes of vacation, sickness, injury or inactive duty or active duty military service for training,

(II) was on employer-authorized leave because of circumstances described in subsection 102(a) of the Family and Medical Leave Act of 1993,

(III) did not work because of a disability that is compensable under a worker's compensation law or plan of a State or the United States,

(IV) had his, or her, employment interrupted in order to serve as a full-time representative of a labor organization in such firm or subdivision,

(V) was on call-up for purposes of active duty in a reserve status in the Armed Forces of the United States, provided such active duty is "Federal service" as defined in 5 U.S.C. 8521(a)(1), or

(VI) was on temporary layoff.

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(ii) For the purposes of clause (i), no more than the following number of weeks within a one year period may be treated as weeks of employment-

(I) 7 weeks in the case of weeks described in subclauses (I) or (IV) of clause (i), or both;

(II) 12 weeks in the case of weeks described in subclause (II) of clause (i); and

(III) 26 weeks in the case of weeks described in subclauses (III) and (V) of clause (i).

(B) SAME EMPLOYER.--

(i) For the purposes of clause (ii) of paragraph (2)(B), employment deemed to be employment for a single employer shall include--

(I) all employment that was covered by a multiemployer plan defined by section 4001(a)(3) of the Employee Retirement Income Security Act of 1974;

(II) all employment that was obtained through a single hiring hall,

(III) all employment for the employer from whom the individual was laid-off or the predecessor of such employer, and

(IV) all employment for employers in a joint employment relationship, as described in section 791.2(b) of title 29 of the Code of Federal Regulations, with the individual.

(ii) For purposes of subclause (III) of clause (i), an employer shall be considered a predecessor of the employer from whom the individual was laid-off (hereinafter referred to as successor employer) if--

(I) the successor employer acquired substantially all the property used in a trade or business, or used in a separate unit of a trade or business, from such employer; and

(II) the individual who was laid off was employed by such employer in such trade or business, or in a separate unit of such trade or business, immediately before the acquisition and was employed by the successor employer immediately after the acquisition.

(C) INDIVIDUAL TREATED AS PARTICIPATING IN EDUCATION OR TRAINING PROGRAM--For purposes of subparagraph (E) of paragraph (2), an individual shall be treated as participating, and making satisfactory progress, in an education or training program during any week which is part of a break from training that does not exceed 28 days if the break is provided under such program.

(4) **WEEKLY AMOUNT OF PAYMENTS.**--The retraining income support payment payable to an individual under this subsection shall be an amount equal to the most recent benefit amount of the unemployment compensation payable to such individual for a week of total unemployment preceding such individual's first exhaustion of unemployment compensation related to the permanent layoff reduced (but not below zero) by--

(A) any training income support provided for such week to such individual under another Federal program;

(B) income that is earned from employment that exceeds one-half the amount equal to the most recent weekly benefit amount of the unemployment compensation payable to such individual for a week of total unemployment.

(5) **TOTAL AMOUNT OF PAYMENTS.**--The maximum amount of retraining income support payable to an individual under this subsection shall be the amount which is the product of 26 multiplied by the retraining income support payable to the individual for a week of total unemployment (as determined under paragraph (4)), but such product shall be reduced by the total sum of extended and additional compensation to which the individual was entitled in the

worker's first benefit period as described in paragraph (2)(C).

(6) ADMINISTRATION.--The substate grantee shall enter into an agreement with the State agency charged with the administration of the State unemployment compensation law under which such agency will administer, on a cost-reimbursable basis, the retraining income support payments authorized under this subsection.

(7) CAREER CENTER ROLE.--Each career center shall assist an individual receiving education or training pursuant to subsection (d) in applying for retraining income support under either part A of title II of this Act or this subsection depending on the program for which such individual is eligible. If such individual is not eligible for either program and such individual believes income support is necessary to enable participation in training, the career center shall assist such individual in applying for other appropriate sources of such income support, including student financial aid.

(8) INFORMATION DISSEMINATION.--The career centers shall provide individuals determined eligible under this title with information relating to the availability of retraining income support and the requirements relating to eligibility for such support. Such information shall include the provision, as soon as is practicable, of information to such individuals describing the time periods

by which enrollment in education and training must occur in order to be eligible for retraining income support pursuant to paragraph (2)(D) of this subsection and section 202 of this Act. In addition, the substate grantee shall make arrangements with the State agency charged with the administration of the State unemployment compensation law to make such information generally available to claimants along with other information describing the services available under this title.

(f) SUPPORTIVE SERVICES.--

(1) IN GENERAL.--Each career center shall make available to an eligible individual, either through direct payment, payment to a service provider, or arrangements through appropriate agencies, such supportive services as are identified in such individual's reemployment plan as necessary to enable such individual to participate in intensive reemployment services or education and training services.

(2) OPTIONAL SERVICES.--Each career center may make available to an eligible individual such supportive services as such center determines is appropriate to enable such individual to participate in basic reemployment services.

(3) SERVICES AVAILABLE.--The supportive services provided pursuant to this subsection may include, but are not limited to, transportation, dependent care, meals, health care, temporary shelter, needs-related payments, drug

and alcohol abuse counseling and referral, family counseling, and other similar services.

(g) **SUPPLEMENTAL WAGE ALLOWANCE FOR OLDER WORKERS.**--

(1) **IN GENERAL.**--An eligible individual may receive a supplemental wage allowance in the amount specified in paragraph (2) if--

(A) such individual is age 55 or older,

(B) such individual accepts full-time employment at a weekly wage that is less than such individual's preceding wage,

(C) such individual received basic reemployment services provided under subsection (a) and was unable to obtain employment with a higher wage than the employment obtained pursuant to subparagraph (B), and

(D) such individual and a career center counselor agree that participation in the supplemental wage allowance is the most effective adjustment option available to such individual.

(2) **AMOUNT OF ALLOWANCE.**--The supplemental wage allowance payable to an eligible individual under this section with respect to any week in which services are performed in such a reemployment job shall be an amount that--

(A) is equal to three quarters of the difference between--

(i) the weekly wage received for such week and

(ii) an amount equal to 80 percent of the individual's average weekly wage in the preceding employment; but

(B) does not exceed 50 percent of the weekly benefit amount of regular compensation under the State unemployment compensation law payable to such individual for a week of total unemployment.

(3) DURATION OF ALLOWANCES.--An eligible individual may receive the supplemental wage allowance authorized under this section for a period of up to 52 weeks.

(4) ADMINISTRATION.--The substate grantee shall enter into an agreement with the State agency charged with the administration of the State unemployment compensation law under which such agency will administer, on a cost-reimbursable basis, the supplemental wage allowances authorized under this subsection.

SEC. 120. CERTIFICATES OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.--A career center may issue a certificate of continuing eligibility for services under this title if such career center determines that--

(1) such individual is eligible for services under section 103; and

(2) such individual is accepting employment and such employment is--

(A) at a wage significantly less than such individual's previous wage; or

(B) in an occupation significantly different from such individual's previous occupation.

(b) CONTENTS.--A certificate of continuing eligibility issued pursuant to subsection (a) shall specify a period of time not to exceed 104 weeks that such individual shall remain eligible, notwithstanding the requirements of section 103, for services under this title and for retraining income support payments under section 119(e) and part A of title II of this Act.

(c) ELIGIBILITY FOR RETRAINING INCOME SUPPORT.--With respect to the continuing eligibility of an individual receiving a certificate under this section for retraining income support--

(1) the requirements relating to eligibility for unemployment compensation under sections 119(e)(2)(C) and 202(a)(3) and to the weekly amount of such support under section 119(e)(4) and part A of title II shall apply to such individual's status at the time such individual receives a certificate under this section and shall not apply to such individual's status at the time of separation from subsequent employment described in subsection (a)(2); and

(2) the requirements relating to enrollment in training in order to qualify for such income support shall remain applicable except that the 16-week and 14-week periods described in section 119(e)(2) and section 202(a)(4) shall

commence with such individual's separation from the subsequent employment described in subsection (a)(2).

(d) LIMITATION.--An individual may not receive a wage supplement authorized under section 119(g) after receiving a certificate of continuing eligibility under this section.

PART B--FEDERAL SERVICE DELIVERY SYSTEM

SEC. 131. NATIONAL DISCRETIONARY GRANT PROGRAM.

(a) ESTABLISHMENT.--The Secretary shall establish a program of national grants to address large scale economic dislocations that result from plant closures, base closures, or mass layoffs.

(b) PROJECTS AND SERVICES.--

(1) IN GENERAL.--The programs assisted under this section shall be used to provide services of the type described in section 119 in projects that relate to:

(A) industry-wide dislocations;

(B) multistate dislocations;

(C) dislocations resulting from reductions in defense expenditures;

(D) dislocations resulting from international trade;

(E) dislocations resulting from environmental laws and regulations, including the Clean Air Act and the Endangered Species Act;

(F) dislocations affecting Native American tribal entities; and

(G) other dislocations that result from special circumstances or that State and local resources are insufficient to address.

(2) **COMMUNITY PROJECTS.**--The Secretary may award grants under this section for projects that provide comprehensive planning services to assist communities in addressing and reducing the impact of an economic dislocation.

(3) **ON-SITE TRANSITION CENTERS.**--The Secretary may award grants under this section to projects that establish on-site transition centers meeting the requirements described in section 115(c)(2).

(c) **ADMINISTRATION.**--

(1) **APPLICATION.**--To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary determines is appropriate.

(2) **ELIGIBLE ENTITIES.**--Grants under this section may be awarded to--

(A) the State;

(B) the substate grantee;

(C) employers and employer associations;

(D) worker-management transition assistance committees and other employer-employee entities;

(E) representatives of employees;

(F) community development corporations and community-based organizations; and

(G) industry consortia.

SEC. 132. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) GENERAL AUTHORITY.

(1) QUALIFICATION FOR FUNDS.--Funds appropriated to carry out this section shall be made available in a timely manner by the Secretary to the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (referred to in this section as the "disaster area").

(2) SUBSTATE ALLOCATION.--Not less than 80 percent of the funds made available to any Governor under paragraph (1) shall be allocated by the Governor to units of general local government located, in whole or in part, within such disaster areas. The remainder of such funds may be reserved by the Governor for use, in concert with State agencies, in cleanup, rescue, repair, renovation, and rebuilding activities associated with such major disaster.

(3) COORDINATION.--Funds made available under this section to governors and units of general local government shall be expended in consultation with --

(A) agencies administering programs for disaster relief provided under the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and

(B) the administrative entity and the private industry council in each service delivery area within which disaster employment programs will be conducted under this part.

(b) USE OF FUNDS.--

(1) PROJECTS RESTRICTED TO DISASTER AREAS. -- Funds made available under this section to any unit of general local government in a disaster area--

(A) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations engaged in such projects.

(2) ELIGIBILITY REQUIREMENTS.-- Notwithstanding section 103, an individual shall be eligible to be offered disaster employment under this section if such individual is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT. -- No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

(c) DEFINITIONS.--As used in this section, the term "unit of general local government" includes --

(1) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) or of section 401 of the Job Training Partnership Act, or a consortium of such grantees and the State; and

(2) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c) of the Job Training Partnership Act, or a consortium of such grantees and the State.

SEC. 133. **EVALUATION, RESEARCH, AND DEMONSTRATIONS**

(a) EVALUATION.--

(1) IN GENERAL.--The Secretary shall provide for the continuing evaluation of programs conducted under this title, including the cost-effectiveness of programs in achieving the purposes of this title.

(2) TECHNIQUES.--

(A) METHODS.--Evaluations conducted under paragraph (1) shall utilize recognized statistical methods and techniques of the behavioral and social

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sciences, including methodologies that control for self-selection, where feasible.

(B) ANALYSIS.--Such evaluations may include cost benefit analyses of programs, and analyses of the impact of the programs on participants and the community, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by the various programs.

(C) EFFECTIVENESS.--The Secretary shall evaluate the effectiveness of programs authorized under this title with respect to--

(i) the statutory goals;

(ii) the performance standards established by the Secretary; and

(iii) the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and, to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

(b) RESEARCH.--

(1) IN GENERAL.--The Secretary shall establish a program of research relating to addressing economic

dislocation, facilitating the transition of permanently laid off workers to reemployment, and upgrading the skills of employed workers.

(2) MASS LAYOFF REPORT.--The Secretary shall develop and maintain statistical data relating to permanent layoffs and plant closings. The Secretary shall publish a report based upon such data, as soon as practicable, after the end of each calendar year. Among the data to be included are--

(A) the number of such closings;

(B) the number of workers displaced;

(C) the location of the affected facilities; and

(D) the types of industries involved.

(c) DEMONSTRATIONS.--

(1) IN GENERAL.--The Secretary shall conduct a program of demonstration projects to develop and improve the methods for addressing economic dislocation and promoting worker adjustment. Such program may include projects that--

(A) provide services to upgrade the skills of employed workers who are at risk of being permanently laid off; and

(B) assist in retraining employed workers in new technologies and work processes that will facilitate the conversion or restructuring of businesses into high performance work organizations and avert plant closings or substantial layoffs.

(2) LIMITATION.--Each demonstration project conducted under this subsection shall not exceed three years in duration.

(3) EVALUATION COMPONENT.--The Secretary shall conduct or provide for an evaluation of each of the projects carried out pursuant to this subsection.

SEC. 134. CAPACITY BUILDING AND TECHNICAL ASSISTANCE.

(a) IN GENERAL.--The Secretary shall provide, through grants, contracts, or other arrangements, staff training and technical assistance to States, substate grantees, career centers, communities, business and labor organizations, service providers, industry consortia, and other entities, to enhance their capacity to develop and deliver effective adjustment assistance services to workers and to avert plant closings or substantial layoffs. Such assistance may include the development of management information systems, customized training programs, and the dissemination of computer-accessed learning systems.

(b) COORDINATION.--The Secretary shall integrate the activities carried out pursuant to subsection (a) with the activities of the Capacity Building and Information and Dissemination Network established under section 453 of the Job Training Partnership Act.

SEC. 135. FEDERAL BY-PASS AUTHORITY.

In the event that any State chooses not to participate in the program authorized under this title, the Secretary shall use the amount that would be allotted to such State under section

101(b) to provide for the delivery in that State of the programs, activities and services authorized under this title until such time as such State chooses to participate in the program.

PART C. PERFORMANCE STANDARDS AND QUALITY ASSURANCE SYSTEMS

SEC. 151. CUSTOMER SERVICE COMPACT.

The Secretary shall establish a process within each State, which shall include an annual meeting, to promote the development of a customer service compact among the parties administering the programs under this title. Such compact shall include an informal agreement between the Secretary, Governor, each substate grantee, and each career center relating to--

(1) the shared goals and values that will govern the administration of the program;

(2) the respective roles and responsibilities of each party in enhancing the provision of services to participants, including ensuring that such services are tailored to the particular needs of participants in each local area;

(3) methods for ensuring that the satisfaction of participants with the services received is a primary consideration in the administration of the program; and

(4) such other matters as the parties determine are appropriate.

SEC. 152. PERFORMANCE STANDARDS.

(a) **IN GENERAL.**--The Secretary, after consultation with the Secretary of Education, Governors, substate grantees, and career centers, shall prescribe performance standards relating separately to the substate grantees and the career centers established under this title. Such standards shall be based on factors the Secretary determines are appropriate, which may include:

(1) placement, retention and earnings of participants in unsubsidized employment, including--

(A) earnings at six months or more after termination from the program, and

(B) comparability of wages at a specified period after termination from the program with wages prior to participation in the program;

(2) acquisition of skills pursuant to a skill standards and skill certification system endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

(3) satisfaction of participants and employers with services provided and employment outcomes; and

(4) the quality of services provided to hard-to-serve populations, such as low income individuals and older workers.

(b) ADJUSTMENTS.--Each Governor shall, within parameters established by the Secretary and after consultation with substate grantees and career centers, prescribe adjustments to the performance standards prescribed under section (a) for the substate grantees and career centers established in the State based on--

(1) specific economic, geographic and demographic factors in the State and in substate areas within the State; and

(2) the characteristics of the population to be served, including the demonstrated difficulties in serving special populations.

(c) FAILURE TO MEET STANDARDS.--

(1) UNIFORM CRITERIA.--The Secretary shall establish uniform criteria for determining whether a substate grantee or career center fails to meet performance standards under this section. Such criteria may not be modified more than once every two years.

(2) TECHNICAL ASSISTANCE.--The Governor shall provide technical assistance to substate grantees and career centers failing to meet performance standards under the uniform criteria established under paragraph (1).

(3) REPORT ON PERFORMANCE.--Each Governor shall include in an annual report to the Secretary the final performance standards and performance for each substate grantee and career center within the State, along with the technical assistance planned and provided as required under paragraph (2).

(4) REDESIGNATION.--If a substate grantee or career center continues to fail to meet such performance standards

for two consecutive program years, the Governor shall notify the Secretary and the substate grantee or career center of the continued failure, and shall--

(A) in the case of a substate grantee, terminate the grant agreement and designate another entity as the substate grantee consistent with the procedures described in section 117(b)(2); and

(B) in the case of a career center, direct the substate grantee to terminate the agreement to operate such center and to select another entity as a career center in accordance with the requirements of section 118.

(5) APPEAL.--A substate grantee or career center that is the subject of a redesignation under paragraph (4) may, within thirty days after receiving notice thereof, appeal to the Secretary of Labor to rescind such action. The Secretary of Labor shall issue a decision on the appeal within thirty days of its receipt.

(d) INCENTIVE GRANTS.--From the funds reserved pursuant to section 101(c)(1), the Governor of each State shall award incentive grants to the substate grantees and career centers in the State exceeding performance standards established under this section. Such grants shall be used by the substate grantees and career centers to enhance or expand the services provided under this title.

SEC. 153. CUSTOMER FEEDBACK.

(a) METHODS.--Each substate grantee shall establish methods for obtaining, on a regular basis, information from eligible individuals and employers who have received services through a career center regarding the effectiveness and quality of such services and of service providers. Such methods may include the use of surveys, interviews, and focus groups.

(b) ANALYSIS AND DISSEMINATION.--Each substate grantee shall analyze the information obtained pursuant to subsection (a) on a regular basis and provide a summary of such information accompanied by such analysis to the career center for use in improving the administration of the programs under this title and assisting participants in choosing from among eligible service providers.

SEC. 154. ELIGIBILITY REQUIREMENTS FOR PROVIDERS OF EDUCATION AND TRAINING SERVICES.

(a) ELIGIBILITY REQUIREMENTS.--A provider of education and training services shall be eligible to receive funds under this title if such provider--

(1) is either--

(A) eligible to participate in title IV of the Higher Education Act of 1965, or

(B) determined to be eligible under the procedures described in subsection (b); and

(2) provides the performance-based information required pursuant to subsection (c).

(b) ALTERNATIVE ELIGIBILITY PROCEDURE.--(1) The Governor shall establish an alternative eligibility procedure for

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providers of education and training services in such State desiring to receive funds under this title but that are not eligible to participate in title IV of the Higher Education Act of 1965. Such procedure shall establish minimum acceptable levels of performance for such providers based on factors and guidelines developed by the Secretary, after consultation with the Secretary of Education. Such factors shall be comparable in rigor and scope to those provisions of part H of such title of such Act that are used to determine an institution of higher education's eligibility to participate in programs under such title as are appropriate to the type of provider seeking eligibility under this subsection and the nature of the education and training services to be provided.

(2) Notwithstanding paragraph (1), if the participation of an institution of higher education in any of the programs under such title of such Act is terminated, such institution shall not be eligible to receive funds under this Act for a period of two years.

(c) PERFORMANCE-BASED INFORMATION.--

(1) CONTENTS.--The Secretary, in consultation with the Secretary of Education, shall identify performance-based information that is to be submitted by providers of services desiring to be eligible under this section. Such information may include information relating to--

(A) the percentage of students completing the programs conducted by the provider,

(B) the rates of licensure of graduates of the programs conducted by the provider,

(C) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act,

(D) the rates of placement and retention in employment, and earnings of the graduates of the programs conducted by the provider,

(E) the percentage of students who obtained employment in an occupation related to the program conducted by the provider, and

(F) the warranties or guarantees provided by such provider relating to the skill levels or employment to be attained by students.

(2) ADDITIONS.--The Governor may, pursuant to the approval of the Secretary, prescribe additional performance based information that shall be submitted by providers pursuant to this subsection.

(d) ADMINISTRATION.--

(1) STATE AGENCY.--The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to paragraph (1).

(2) APPLICATION.--A provider of education and training services that desires to be eligible to receive funds under this title shall submit the information required under

subsection (b) to the State agency designated under paragraph (1) at such time and in such form as such State agency may require.

(3) LIST OF ELIGIBLE PROVIDERS.--The State agency shall compile a list of eligible providers, accompanied by the performance-based information submitted, and disseminate such list and information to the substate entities and career centers within the State.

(4) ACCURACY OF INFORMATION.--

(A) IN GENERAL.--If the State agency determines that information concerning a provider is inaccurate, such provider shall be disqualified from receiving funds under this title for a period of two years, unless such provider can demonstrate to the satisfaction of the Governor or his or her designee, that the information was provided in good faith.

(B) APPEAL.--The Governor shall establish a procedure for a service provider to appeal a determination by a State agency that results in a disqualification under subparagraph (A). Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(5) ASSISTANCE IN DEVELOPING INFORMATION.--The State agency established pursuant to paragraph (1) may provide technical assistance to education and training providers in

developing the information required under subsection (b). Such assistance may include facilitating the utilization of State administrative records, such as unemployment compensation wage records, and other appropriate coordination activities.

(6) CONSULTATION.--The Secretary shall consult with the Secretary of Education regarding the eligibility of institutions of higher education or other providers of education and training to participate in programs under this Act or under title IV of the Higher Education Act of 1965.

(e) ON-THE-JOB TRAINING EXCEPTION.--

(1) IN GENERAL.--Providers of on-the-job training shall not be subject to the requirements of subsections (a), (b), and (c).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.--The substate grantee shall collect such performance-based information from on-the-job training providers as the Secretary may require, and shall disseminate such information to the career centers.

PART D. GENERAL REQUIREMENTS

SEC. 161. GENERAL REQUIREMENTS.

Except as otherwise provided, the following conditions are applicable to all programs under this title:

(a) PROHIBITION ON INDUCING RELOCATION OF ESTABLISHMENTS.--

(1) No funds provided under this title shall be used or proposed for use to encourage or induce the relocation, of

an establishment or part thereof, that results in a loss of employment for any employee of such establishment at the original location.

(2) No funds provided under this title shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or employees, for any establishment or part thereof, that has relocated, until 120 days after the date on which such establishment commences operations at the new location, if the relocation of such establishment or part thereof, results in a loss of employment for any employee of such establishment at the original location.

(3) If a violation of paragraph (1) or (2) is alleged, the Secretary shall conduct an investigation to determine whether a violation has occurred.

(4) If the Secretary determines that a violation of paragraph (1) or (2) has occurred, the Secretary shall require the State, substate area, or substate grantee that has violated paragraph (1) or (2) to --

(A) repay to the United States an amount equal to the amount expended in violation of paragraph (1) or (2), in accordance with subsections (d) or (e) of section 174; and

(B) pay an additional amount equal to the amount required to be repaid under subparagraph (A), unless the State or substate grantee demonstrates to the Secretary that it neither knew nor reasonably could have known (after an inquiry undertaken with due diligence) provided funds in violation of paragraph (1) or (2).

(5) Amounts received under paragraph (4)(B) shall be deposited in a special account in the Treasury for use by the Secretary for carrying out this title.

(b) SPECIAL PROGRAMS.--Efforts shall be made to develop programs under this title which contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex.

(c) JOINT SUBSTATE AGREEMENTS.--Any substate grantee may enter into an agreement or contract with another substate grantee to pay or share the cost of educating, training, or placing individuals participating in programs assisted under this Act, including the provision of supportive services.

(d) ON-THE-JOB TRAINING.--(1) Payments to employers for on-the-job training under this title shall not, during the period of such training, average more than 50 percent of the wages paid by the employer to such participants, and payments in such amount shall be deemed to be in compensation for the extraordinary costs associated with training participants under this title and in compensation for the costs associated with the lower productivity of such participants.

(2) On-the-job training authorized under this title for a participant shall be limited in duration to a period not in excess of that generally required for acquisition of skills

needed for the position within a particular occupation, but in no event shall exceed 6 months, unless the total number of hours of such training is less than 500 hours. In determining the period generally required for acquisition of the skills, consideration shall be given to recognized reference material (such as the Dictionary of Occupational Titles), the content of the training of the participant, the prior work experience of the participant, and the reemployment plan of the participant.

(3)(A) Each on-the-job training contract shall --

(i) specify the types and duration of on-the-job training and the other services to be provided in sufficient detail to allow for a fair analysis of the reasonableness of proposed costs; and

(ii) comply with the applicable requirements of section 174.

(B) Each on-the-job training contract that is not directly contracted by a substate grantee with an employer (but instead is contracted through an intermediary brokering contractor) shall, in addition to meeting the requirements of subparagraph (A), specify the outreach, recruitment, participant training, counseling, placement, monitoring, followup, and other services to be provided directly by the brokering contractor within its own organization, the services to be provided by the employers conducting the on-the-job training, and the services to be provided, with or without cost, by other agencies and subcontractors.

(C) If a brokering contractor enters into a contract with a subcontractor to provide training or other services, the brokering contractor shall ensure, through on-site monitoring, compliance with the subcontract terms prior to making payment to the subcontractor.

(4) In accordance with regulations issued by the Secretary, on-the-job training contracts under this title shall not be entered into with employers who have received payments under previous contracts and have exhibited a pattern of failing to provide on-the-job training participants with continued long-term employment as regular employees with wages and employment benefits (including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(e) PROHIBITION ON FEES.--No person or organization may charge an individual a fee for the placement or referral of such individual in or to a training program under this title.

(f) PROHIBITION ON SUBSIDIZED EMPLOYMENT.--No funds may be provided under this Act for any subsidized employment with any private for-profit employer.

(g) RETENTION OF PROGRAM INCOME.--

(1) Income under any program under this title administered by a public or private nonprofit entity may be retained by such entity only if used to continue to carry out the program.

(2) Income subject to the requirements of paragraph (1) shall include --

(A) receipts from goods or services (including conferences) provided as a result of activities funded under the title;

(B) funds provided to a service provider under the title that are in excess of the costs associated with the services provided; and

(C) interest income earned on funds received under this title.

(3) For the purposes of this subsection, each entity receiving financial assistance under this title shall maintain records sufficient to determine the amount of income received and the purposes for which such income is expended.

(h) NOTIFICATION AND CONSULTATION REQUIREMENTS.--The Secretary shall notify the Governor and the appropriate chief elected officials of, and consult with the Governor and such officials concerning, any activity to be funded by the Secretary under this title within the State or substate area; and the Governor shall notify the appropriate chief elected officials of, and consult with such concerning, any activity to be funded by the Governor under this title within the substate area.

(i) COOPERATIVE AGREEMENTS BETWEEN STATES.--In the event that compliance with provisions of this title would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

(j) PUBLIC SERVICE EMPLOYMENT PROHIBITION.--Except as provided in section 132, no funds available under this title may be used for public service employment.

(k) PROHIBITION ON EMPLOYMENT GENERATING AND RELATED ACTIVITIES.--Except for funds available to the Secretary to carry out section 132, no funds available under this Act shall be used for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities, or for foreign travel.

(l) PROPERTY.--The Federal requirements governing the title, use, and disposition of real property, equipment, and supplies purchased with funds provided under this Act shall be the Federal requirements generally applicable to Federal grants to States and local governments.

SEC. 162. BENEFITS.

(a) IN GENERAL.--Except as otherwise provided in this title, the following provisions shall apply to all activities financed under this title:

(1) A participant under this title shall receive no payments for training activities in which the participant fails to participate without good cause.

(2) Individuals in on-the-job training shall be compensated by the employer at the same rates, including periodic increases, as similarly situated employees or trainees and in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

(3) Individuals employed in activities authorized under this title shall be paid wages which shall not be less than the highest of (A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

(4) References in paragraphs (2) and (3) to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C.206(a)(1)) --

(A) shall be deemed to be references to section 6(c) of that Act for individuals in the Commonwealth of Puerto Rico;

(B) shall be deemed to be references to 6(a)(3) of that Act for individuals in American Samoa; and

(C) shall not be applicable for individuals in other territorial jurisdictions in which section 6 of the Fair Labor Standards Act of 1938 does not apply.

(b) INCOME DISREGARD.--Allowances, earnings and payments to individuals participating in programs under this title, except for payments under section 119(e), shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any Federal or federally assisted program based on need, other than as provided under the Social Security Act.

SEC. 163. LABOR STANDARDS.

(a) IN GENERAL.--

(1) Conditions of employment and training shall be appropriate and reasonable in light of such factors as the type of work, geographical region, and proficiency of the participant.

(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a program conducted under this title who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation, such standards as may be necessary to protect the health and safety of such participants.

(3) To the extent that a State workers' compensation law is applicable, workers' compensation benefits in accordance with such law shall be available with respect to

injuries suffered by participants. To the extent that such law is not applicable, each recipient of funds under this Act shall secure insurance coverage for injuries suffered by such participants, in accordance with regulations prescribed by the Secretary.

(4) All individuals employed in subsidized jobs shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(5) No funds available under this title may be used for contributions on behalf of any participant to retirement systems or plans.

(b) DISPLACEMENT.--

(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(2) No program under this title shall impair --

(A) existing contracts for services; or

(B) existing collective bargaining agreements, unless the employer and the labor organization concur in writing with respect to any elements of the proposed activities which affect such agreement, or either such party fails to respond to written notification requesting its concurrence within 30 days of receipt thereof.

(3) No participant shall be employed or job opening filled (A) when any other individual is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this title.

(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.

(c) ORGANIZED LABOR.--

(1) Each recipient of funds under this title shall provide to the Secretary assurances that none of such funds will be used to assist, promote, or deter union organizing.

(2) Any program conducted with funds made available under this title which will provide services to members of a labor organization will be established only after full consultation with such organization.

(3) Where a labor organization represents a substantial number of employees who are engaged in similar work or training in the same area as that proposed to be funded under this title, an opportunity shall be provided for such organization to submit comments with respect to such proposal.

(d) PREVAILING WAGES.--All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of project, buildings, and works which are federally assisted under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Act of March 3, 1921 (40 U.S.C. 276a-276a-5), commonly known as the Davis-Bacon Act. The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)). The provisions of this subsection shall not apply to a bona fide participant in a training program under this title. The provisions of section 177(a)(4) shall apply to such trainees.

SEC. 164. GRIEVANCE PROCEDURE.

(a) IN GENERAL.--Each substate grantee, career center, contractor, and grantee under this Act shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.

(b) GRIEVANCE PROCEDURE FOR EMPLOYERS OF PARTICIPANTS.--Each recipient of financial assistance under this title which is an employer of participants under this title shall continue to operate or establish and maintain a grievance procedure relating to the terms and conditions of employment.

(c) EXHAUSTION OF GRIEVANCE PROCEDURE.--Upon exhaustion of the recipient's grievance procedure without decision, or where the Secretary has reason to believe that the recipient is failing to comply with the requirements of this title, the Secretary shall investigate the allegation or belief and determine within 120 days after receiving the complaint whether such allegation or complaint is true.

(d) INVESTIGATION BY SECRETARY.--

(1) If a person alleges a violation of section 163 and such person exhausts the recipient's grievance procedure or the 60-day time period described in subsection (a) has elapsed without a decision, either party to such procedure may submit the grievance to the Secretary. The Secretary shall investigate the allegations contained in the grievance and make a determination as to whether a violation of section 163 has occurred.

(2) If the results of the investigation conducted pursuant to paragraph (1) indicate that a modification or reversal of the decision issued pursuant to the recipient's grievance procedure is warranted, or the 60-day time period described in subsection (a) has elapsed without a decision, the Secretary may modify or reverse the decision, or issue a decision if no decision has been issued, as the case may be,

after an opportunity for a hearing in accordance with the procedures under section 176.

(3) If the Secretary determines that the decision issued pursuant to the recipient's grievance procedure is appropriate, the determination shall become the final decision of the Secretary.

(e) BINDING GRIEVANCE PROCEDURE.--

(1) A person alleging a violation of section 163 may, as an alternative to the procedures described in this section, submit the grievance involving such violation to a binding grievance procedure if a collective bargaining agreement covering the parties to the grievance so provides.

(2) The remedies available under paragraph (1) shall be limited to the remedies available under subsection (f)(1)(C) and subsection (f)(2).

(f) REMEDIES AVAILABLE TO GRIEVANTS.--

(1) Except as provided in paragraph (2), remedies available to grievants under this section for violations of section 163 shall be limited to --

(A) suspension or termination of payments under this Act;

(B) prohibition of placement of a participant, for an appropriate period of time, in a program under this Act with an employer that has violated section 163, as determined under subsection (d) or (e); and

(C) appropriate equitable relief (other than back pay).

(2) In addition to the remedies available under paragraph (1), remedies available under this section for violations of subsection (a)(4), paragraphs (1) and (3) of subsection (b), and subsection (d) of section 163 may include --

(A) reinstatement of the grievant to the position held by such grievant prior to displacement;

(B) payment of lost wages and benefits; and

(C) reestablishment of other relevant terms, conditions, and privileges of employment.

(g) REMEDIES UNDER OTHER LAWS.--Nothing in subsection (f) shall be construed to prohibit a grievant from pursuing a remedy authorized under another Federal, State, or local law for a violation of section 163.

PART E. FISCAL ADMINISTRATIVE PROVISIONS

SEC. 171. PROGRAM YEAR.

(a) OBLIGATION OF FUNDS.--Beginning with fiscal year 1995 and thereafter, appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(b) EXPENDITURE OF OBLIGATED FUNDS.--Funds obligated for any program year may be expended by each recipient during that program year and the two succeeding program years.

SEC. 172. PROMPT ALLOCATION OF FUNDS.

(a) PUBLICATION OF FORMULA ALLOCATIONS AND ALLOTMENTS.--Whenever the Secretary allots and allocates funds required to be allotted or allocated by formula under this title, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each recipient.

(b) PUBLICATION OF DISCRETIONARY ALLOCATION FORMULA.--Whenever the Secretary utilizes a formula to allot or allocate funds made available for distribution at the Secretary's discretion under this Act, the Secretary shall, not later than 30 days prior to such allotment or allocation, publish such formula in the Federal Register for comments along with the rationale for the formula and the proposed amounts to be distributed to each State and area. After consideration of any comments received, the Secretary shall publish final allotments and allocations in the Federal Register.

SEC. 173. MONITORING.

(a) IN GENERAL.--The Secretary is authorized to monitor all recipients of financial assistance under this title to determine whether they are complying with the provisions of this title and the regulations issued under this title.

(b) INVESTIGATIONS.--The Secretary may investigate any matter the Secretary deems necessary to determine compliance with this title and regulations issued under this title. The investigations authorized by this subsection may include examining records (including making certified copies thereof), questioning employees, and entering any premises or onto any site in which any part of a program of a recipient is conducted or in which any of the records of the recipient are kept.

(c) **WITNESSES AND DOCUMENTS**.--For the purpose of any investigation or hearing under this Act, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49) (relating to the attendance of witnesses and the production of books, papers, and documents) are made applicable to the Secretary.

SEC. 174. FISCAL CONTROLS; SANCTIONS.

(a) IN GENERAL.--

(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under this title. Such procedures shall ensure that all financial transactions are conducted and records maintained in accordance with generally accepted accounting principles applicable in each State.

(2) The Secretary shall prescribe regulations establishing uniform cost principles substantially equivalent to such principles generally applicable to recipients of Federal grants funds. At a minimum, such standards shall provide that, to be allowable, costs must --

(A) be necessary and reasonable for proper and efficient administration of the program under this title;

(B) be allocable to the program under this title; and

(C) not be a general expense required to carry out the overall responsibilities of State or local governments except as specifically provided by this title.

(3) The Governor, in accordance with minimum requirements established by the Secretary in regulations, shall prescribe and implement procurement standards to ensure fiscal accountability and prevent fraud and abuse in programs administered under this title. The Secretary, in establishing such minimum requirements, shall consult with the Inspector General of the Department of Labor and take into consideration relevant aspects of the circulars issued by the Director of the Office of Management and Budget. Such minimum requirements shall include provisions to ensure that for States, substate areas, and career centers --

(A) procurements shall be conducted in a manner providing full and open competition;

(B) the use of sole source procurements shall be minimized to the extent practicable, but in every case shall be justified;

(C) procurements shall include an appropriate analysis of the reasonableness of costs and prices;

(D) procurements shall not provide excess program income (for nonprofit and government entities) or excess profit (for private for-profit entities), and that appropriate factors shall be utilized in determining whether such income or profit is excessive, such as --

(i) the complexity of the work to be performed;

(ii) the risk borne by the contractor; and

(iii) market conditions in the surrounding geographical area;

(E) procurements shall clearly specify deliverables and the basis for payment;

(F) written procedures shall be established for procurement transactions;

(G) no grantee, contractor, subgrantee, or subcontractor shall engage in any conflict of interest, actual or apparent, in the selection, award, or administration of a contract or grant under this title;

(H) all grantees and subgrantees shall conduct oversight to ensure compliance with procurement standards; and

(I) procurement transactions between units of State or local governments, shall be conducted on a cost reimbursable basis.

(4) The Governor shall annually conduct on-site monitoring of each substate grantee within the State to ensure compliance with the procurement standards established pursuant to paragraph (3).

(5) If the Governor determines that a substate grantee area is not in compliance with the procurement standards established pursuant to paragraph (3), the Governor shall --

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (b) in the event of failure to take the required corrective action.

(6) The Governor shall biennially certify to the Secretary that --

(A) the State has implemented the procurement standards established under paragraph (3);

(B) the State has monitored substate grantees to ensure compliance with the procurement standards as required under paragraph (4); and

(C) the State has taken appropriate action to secure compliance pursuant to paragraph (5).

(7) If the Secretary determines that the Governor has not fulfilled the requirements of this subsection, the Secretary shall --

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (f) in the event of failure of the Governor to take the required corrective action.

(b) SUBSTANTIAL VIOLATIONS.--

(1) If, as a result of financial and compliance audits or otherwise, the Governor determines that there is a substantial violation of a specific provision of this title or the regulations under this title, and corrective action has not been taken, the Governor shall impose a reorganization plan, which may include--

(A) redesignating the substate grantee;

(B) prohibiting the use of designated service providers;

(C) merging the substate area into 1 or more other existing substate areas; or

(D) other such changes as the Secretary or Governor determines necessary to secure compliance.

(2)(A) The actions taken by the Governor pursuant to paragraph (1)(A) may be appealed to the Secretary and shall not become effective until --

(i) the time for appeal has expired; or

(ii) the Secretary has issued a decision.

(B) The actions taken by the Governor pursuant to paragraph (1)(B) may be appealed to the Secretary, who shall make a final decision not later than 60 days of the receipt of the appeal.

(3) If the Governor fails to promptly take the actions required under paragraph (1), the Secretary shall take such actions.

(c) REPAYMENT OF FUNDS.--Every recipient shall repay to the United States amounts found not to have been expended in accordance with this title. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this Act unless the Secretary determines that such recipient should be held liable pursuant to subsection (d). No such action shall be taken except after notice and opportunity for a hearing have been given to the recipient.

(d) LIABILITY FOR REPAYMENT OF FUNDS.--

(1) Each recipient shall be liable to repay such amounts, from funds other than funds received under this title, upon a determination that the misexpenditures of funds was due to willful disregard of the requirements of this title, gross negligence, or failure to observe accepted standards of administration. No such finding shall be made except after notice and opportunity for a fair hearing.

(2) In determining whether to impose any sanction authorized by this section against a recipient for

violations by a subgrantee of such recipient under this title or the regulations under this title, the Secretary shall first determine whether such recipient has adequately demonstrated that it has --

(A) established and adhered to an appropriate system for the award and monitoring of contracts with subgrantees which contains acceptable standards for ensuring accountability;

(B) entered into a written contract with such subgrantee which established clear goals and obligations in unambiguous terms;

(C) acted with due diligence to monitor the implementation of the subgrantee contract, including the carrying out of the appropriate monitoring activities (including audits) at reasonable intervals; and

(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this Act or the regulations under this Act by such subgrantee.

(3) If the Secretary determines that the recipient has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such recipient. The Secretary is authorized to impose any sanction consistent with the provisions of this title and any

applicable Federal or State law directly against any subgrantee for violation of this Act or the regulations under this Act.

(e) EMERGENCY TERMINATION OF FINANCIAL ASSISTANCE.--In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program, the Secretary may immediately terminate or suspend financial assistance, in whole or in part, if the recipient is given prompt notice and the opportunity for a subsequent hearing within 30 days after such termination or suspension. The Secretary shall not delegate any of the functions specified in this subsection, other than to an officer whose appointment was required to be made by and with the advice and consent of the Senate.

(f) CORRECTIVE MEASURES.--If the Secretary determines that any recipient under this title has discharged or in any other manner discriminated against a participant or against any individual in connection with the administration of the program involved, or against any individual because such individual has filed any complaint or instituted or caused to be instituted any proceeding under or related to this title, or has testified or is about to testify in any such proceeding or investigation under or related to this title, or otherwise unlawfully denied to any individual a benefit under the provisions of this title, or the Secretary's regulations, the Secretary shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved individual, or both.

(g) **REMEDIES NOT EXCLUSIVE.**--The remedies under this section shall not be construed to be exclusive remedies.

SEC. 175. REPORTS, RECORDKEEPING, AND INVESTIGATIONS.

(a) RECORDS.--

(1) Recipients shall keep records that are sufficient to permit the preparation of reports required by this title and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

(2) Every recipient shall maintain such records and submit such reports, in such form and containing such information, as the Secretary requires regarding the performance of its programs. Such records and reports shall be submitted to the Secretary but shall not be required to be submitted more than once each quarter unless specifically requested by the Congress or a committee thereof.

(3) In order to allow for the preparation of national estimates necessary to meet the requirements of subsection (c), recipients shall maintain standardized records for all individual participants and provide to the Secretary a sufficient number of such records to provide for an adequate analysis.

(4)(A) Except as provided in subparagraph (B), records maintained by recipients pursuant to this subsection shall be made available to the public upon request.

(B) Subparagraph (A) shall not apply to --

(i) information, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; and

(ii) trade secrets, or commercial or financial information, obtained from a person and privileged or confidential.

(C) Recipients may charge fees sufficient to recover costs applicable to the processing of requests for records under subparagraph (A).

(b) INVESTIGATIONS.--

(1)(A) In order to evaluate compliance with the provisions of this title, the Secretary shall conduct, in several States, in each fiscal year investigations of the use of funds received by recipients under this title.

(B) In order to insure compliance with the provisions of this title, the Comptroller General of the United States may conduct investigations of the use of funds received under this title by any recipient.

(2) In conducting any investigation under this title, the Secretary or the Comptroller General of the United States may not request the compilation of any new information not readily available to such recipient.

(3)(A) In carrying out any audit under this title (other than any initial audit survey or any audit investigating possible criminal or fraudulent conduct), either directly or through grant or contract, the Secretary, the Inspector General, or the Comptroller General shall furnish to the State, substate grantee, recipient, or other entity to be audited, advance notification of the overall objectives and purposes of the audit, and any extensive recordkeeping or data requirements to be met, not fewer than 14 days (or as soon as practicable), prior to the commencement of the audit.

(B) If the scope, objectives, or purposes of the audit change substantially during the course of the audit, the entity being audited shall be notified of the change as soon as practicable.

(C) The reports on the results of such audits shall cite the law, regulation, policy, or other criteria applicable to any finding.

(D) Nothing contained in this title shall be construed so as to be inconsistent with the Inspector General Act of 1978 (5 U.S.C. App.) or government auditing standards issued by the Comptroller General.

(c) RESPONSIBILITIES OF FUND RECIPIENTS.--Each State, each substate grantee, each career center, and each recipient (other than a subrecipient, grantee or contractor of a recipient) receiving funds under this title shall --

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(1) make readily accessible reports concerning its operations and expenditures as shall be prescribed by the Secretary;

(2) prescribe and maintain comparable management information systems, in accordance with guidelines that shall be prescribed by the Secretary, designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant, and financial data, on statewide and substate area bases, necessary for reporting, monitoring, and evaluating purposes, including data necessary to comply with section 177; and

(3) monitor the performance of service providers in complying with the terms of grants, contracts, or other agreements made pursuant to this Act.

(d) RETENTION OF RECORDS.--The Governor shall ensure that requirements are established for retention of all records pertinent to all grants awarded, and contracts and agreements entered into, under this title, including financial, statistical, property and participant records and supporting documentation. For funds allotted to a State for any program year, records shall be retained for 2 years following the date on which the annual expenditure report containing the final expenditures charged to such program year's allotment is submitted to the Secretary. Records for nonexpendable property shall be retained for a period of 3 years after final disposition of the property.

(e) FINANCIAL RECORDS.--Each State, substate grantee, and career center shall maintain records with respect to programs under this title that identify --

(1) any program income or profits earned, including such income or profits earned by subrecipients; and

(2) any costs incurred (such as stand-in costs) that are otherwise allowable except for funding limitations.

SEC. 176. ADMINISTRATIVE ADJUDICATION.

(a) IN GENERAL.--Whenever any applicant for financial assistance under this title is dissatisfied because the Secretary has made a determination not to award financial assistance in whole or in part to such applicant, the applicant may request a hearing before an administrative law judge of the Department of Labor. A similar hearing may also be requested by any recipient upon whom a corrective action or a sanction has been imposed by the Secretary. Except to the extent provided for in section 161(b), subsections(d) and (e) of section 164, or section 177, all other disputes arising under this title shall be adjudicated under grievance procedures established by the recipient or under applicable law other than this title.

(b) FINAL DECISIONS.--The decision of the administrative law judge shall constitute final action by the Secretary unless, within 20 days after receipt of the decision of the administrative law judge, a party dissatisfied with the decision or any part thereof has'filed exceptions with the Secretary specifically identifying the procedure, fact, law, or policy to which exception is taken. Any exception not specifically urged shall be deemed to have been waived. Thereafter the decision of the administrative law judge shall become the final decision of the Secretary unless the Secretary, within 30 days of such filing, has notified the parties that the case has been accepted for review.

(c) DEADLINE FOR REVIEW.--Any case accepted for review by the Secretary shall be decided within one hundred and eighty days of such acceptance. If not so decided, the decision of the administrative law judge shall become the final decision of the Secretary.

(d) APPLICABLE PROVISIONS.--The provisions of section 178 shall apply to any final action of the Secretary under this section.

SEC. 177. NONDISCRIMINATION.

(a) IN GENERAL.--

(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of disability under section 504 of the Rehabilitation Act, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded or otherwise financially assisted in whole or in part under this title are considered to be programs and activities receiving Federal financial assistance.

(2) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, political affiliation or belief, or status as a qualified individual with disabilities.

(3) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(4) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this title, such individuals shall not be discriminated against solely because of their status as such participants.

(5) Participation in programs and activities financially assisted in whole or in part under this title shall be open to citizens and nationals of the United States, lawfully admitted permanent resident aliens, lawfully admitted refugees and parolees, and other individuals authorized by the Attorney General to work in the United States.

(b) FAILURE TO COMPLY.--Whenever the Secretary finds that a State or other recipient has failed to comply with a provision of law referred to in subsection (a)(1), with paragraph (2), (3), (4), or (5) of subsection (a), or with an applicable regulation prescribed to carry out such paragraphs, the Secretary shall notify such State or recipient and shall request it to comply. If within a reasonable period of time, not to exceed sixty days, the State or recipient fails or refuses to comply, the Secretary may --

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act, as may be applicable; or

(3) take such other action as may be provided by law.

(c) REFERRAL TO ATTORNEY GENERAL.--When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever the Attorney General has reason to believe that a State or other recipient is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of paragraph (2), (3), (4), or (5) of subsection (a), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

SEC. 178. JUDICIAL REVIEW.

(a) IN GENERAL.--

(1) With respect to any final order by the Secretary under section 176 whereby the Secretary determines to award, to not award, or to only conditionally award, financial assistance, with respect to any final order of the Secretary under section 176, with respect to a corrective action or sanction imposed under section 174, any party to a proceeding which resulted in such final order may obtain review of such final order in the United States Court of Appeals having jurisdiction over the applicant or recipient of funds, by filing a review petition within 30 days of such final order.

(2) The clerk of the court shall transmit a copy of the review petition to the Secretary, who shall file the record upon which the final order was entered as provided in section 2112 of title 28, United States Code. Review petitions, unless ordered by the court, shall not stay the Secretary's order. Petitions under this title shall be heard expeditiously, if possible within ten days of the filing of a reply brief.

(3) No objection to the order of the Secretary shall be considered by the court unless the objection shall have been specifically and timely urged before the Secretary. Review shall be limited to questions of law and the Secretary's findings of fact shall be conclusive if supported by substantial evidence.

(b) JURISDICTION OF THE COURT.--The court shall have jurisdiction to make and enter a decree affirming, modifying, or setting aside the order of the Secretary in whole or in part. The court's judgment shall be final, subject to certiorari review by the Supreme Court of the United States as provided in section 1254(1) of title 28, United States Code.

SEC. 179. ADMINISTRATIVE PROVISIONS.

(a) RULES AND REGULATIONS.--The Secretary may, in accordance with chapter 5 of title 5, United States Code, prescribe such rules and regulations (including performance standards) as the Secretary deems necessary. Such rules and regulations may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968. All such rules and regulations shall be published in the Federal Register at least thirty days prior to their effective date. Copies of all such rules and regulations shall be transmitted to the appropriate committees of the Congress at the same time and shall contain, with respect to each material provision of such rules and regulations, citations to the particular substantive section of law which is the basis therefor.

(b) GIFTS.--The Secretary is authorized, in carrying out this title, to accept, purchase, or lease in the name of the department, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise, and to accept voluntary and uncompensated services notwithstanding the provisions of section 1342 of title 31, United States Code.

(c) AUTHORITY TO EXPEND FUNDS.--The Secretary may make such grants, contracts, or agreements, establish such procedures and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds under this title as necessary to carry out this title, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements, and including necessary adjustments in payments on account of overpayments of underpayments.

(d) USE OF SERVICES AND FACILITIES.--The Secretary is authorized, in carrying out this title, under the same conditions applicable under section 179(c) or to the extent permitted by law other than this title, to accept and use the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and use the services and facilities of the agencies of any State or political subdivision of a State, with its consent.

(e) POLITICAL ACTIVITIES.--The Secretary shall not provide financial assistance for any program under this title which involves political activities.

SEC. 180. OBLIGATIONAL AUTHORITY.

Notwithstanding any other provision of this title, no authority to enter into contracts or financial assistance agreements under this title shall be effective except to such extent or in such amount as are provided in advance in appropriation Acts.

SEC. 181. CRIMINAL PROVISIONS.

Section 665 of title 18, United States Code, is amended by striking "or the Job Training Partnership Act" each place it appears and inserting ", the Job Training Partnership Act, or title I of the Reemployment Act of 1994."

SEC. 182. REFERENCES.

Effective on the date of enactment of this title, all references in any other statute other than this Act, and other than in section 665 of title 18, United States Code, to the Job Training Partnership Act shall be deemed to also refer to title I of the Reemployment Act of 1994.

PART F -- MISCELLANEOUS PROVISIONS

SEC. 191. EFFECTIVE DATE.

This title shall take effect on July 1, 1995.

SEC. 192. REPEALERS

(a) IN GENERAL.--The following programs shall terminate on July 1, 1995:

(1) the program authorized pursuant to sections 301-324 of the Job Training Partnership Act, commonly referred to as EDWAA;

(2) the program authorized under section 325 of such Act, commonly referred to as the Defense Conversion Adjustment Program;

(3) the program authorized under section 325A of such Act, commonly referred to as the Defense Diversification Program; and

(4) the program authorized under section 326 of such Act, commonly referred to as the Clean Air Employment Transition Assistance Program.

(b) ADDITIONAL PROGRAM.--Part J of title IV and section 462(e) of the Job Training Partnership Act shall terminate on July 1, 1995.

SEC. 193. TRANSITION.

The Secretary may establish such rules and procedures as may be necessary to provide for the orderly transition from the programs described in section 192(a) to the program authorized under this title.

TITLE II--RETRAINING INCOME SUPPORT AND FLEXIBILITY IN UNEMPLOYMENT COMPENSATION

PART A--RETRAINING INCOME SUPPORT PROGRAM

SEC. 201. ESTABLISHMENT.

There is hereby established a retraining income support program to assist permanently laid-off individuals participating in long-term training programs.

SEC. 202. ELIGIBILITY REQUIREMENTS.

(a) TENURED WORKERS--For a week beginning after July 1, 1995, to the extent that funds are available in the account established by section 911 of the Social Security Act, payment of retraining income support shall be made to an individual who files an application for such support if the following conditions are met:

(1) Such individual has been permanently laid-off from such individual's employer.

(2) Except as specified in subsections (b) and (c), such individual had been continuously employed at the time of the permanent layoff for a period of three years or more by the employer from whom such individual has been permanently laid-off.

(3) Such individual--

(A) was entitled, as a result of the layoff described in paragraph (1), to (or would have been entitled to if such individual had applied therefor) unemployment compensation under any Federal or State law for a week within the benefit period in which the layoff took place, or which began (or would have begun) by reason of the filing of a claim for unemployment compensation by such individual after such layoff;

(B) has exhausted all rights to any unemployment compensation to which such individual was entitled (or would have been entitled if such individual had applied therefor); and

(C) does not have an unexpired waiting period applicable to such individual for such unemployment compensation.

(4) Such individual is participating, and making satisfactory progress, in an education or training program that is part of a reemployment plan developed for such individual by an agency certified by the Secretary of Labor to develop reemployment plans, and has been enrolled in such program by--

(A) the end of the sixteenth week after the permanent layoff, or, if later, the end of the fourteenth week after such individual is aware that the layoff is permanent,

(B) a period determined by the Secretary that is not in excess of 30 days after the periods described in subparagraph (A), in cases where under guidelines issued by the Secretary it is determined that there are extenuating circumstances that justify such extension, such as a cancellation of a course, a first available enrollment date that is after the periods described in subparagraph (A), or the commencement of negotiations for the reopening of the plant or facility from which the individual has been laid-off, or

(C) the end of the sixteenth week after separation from the subsequent employment described in section 120 of this Act in the case of an individual who has been issued a certificate of continuing eligibility under such section.

(b) TRADE-IMPACTED WORKERS.--To the extent that funds are available in the account established by section 911 of the Social Security Act, payment of retraining income support shall be made to a permanently laid-off individual who has been determined to be an adversely affected worker covered by a certification issued under part D of this title and who files an application for such support for any week of unemployment which begins more than 60 days after the date on which the petition that resulted in such certification was filed, if the following conditions are met:

(1) Such individual's layoff before his, or her, application under this title occurred--

(A) on or after the impact date, as specified in the certification under which such individual is covered,

(B) before the expiration of the 2-year period beginning on the date on which the determination under section 242 of this Act was made, and

(C) before the termination date (if any) determined pursuant to paragraph 242(b)(3)(D) of this Act.

(2) Such worker had, in the 52-week period ending with the week in which such layoff occurred, at least 26 weeks of employment at wages of $30 or more a week in adversely affected employment with a single firm or subdivision of a firm, or, if data with respect to weeks of employment with a firm are not available, equivalent amounts of employment

computed under regulations prescribed by the Secretary. A week that is considered to be a week of employment under subsection (d) shall also be considered a week of employment for purposes of this paragraph.

(3) Such individual meets the conditions described in paragraphs (3) and (4) of subsection (a).

(c) ADDITIONAL ELIGIBILITY BEGINNING IN FISCAL YEAR 2000--For a week beginning after September 30, 1999, in addition to individuals meeting the requirements of subsection (a), payment of retraining income support shall, to the extent that funds are available in the account established by section 911 of the Social Security Act, be made to an individual who--

(1)(A) has been continuously employed at the time of the permanent layoff for a period of one year or more, but less than three years, by the employer from whom such individual has been permanently laid-off; or

(B) was continuously employed in the same occupation and industry by a single employer for a period of one year or more and within the preceding 12-month period was--

(i) separated from such employer, and

(ii) employed in the same occupation and industry by a subsequent employer from whom such individual has been permanently laid off; and

(2) meets the conditions described in paragraphs (1), (3) and (4) of subsection (a).

(d) CONTINUOUS EMPLOYMENT.--(1) For purposes of this part and subject to the limitations of paragraph (2) of this subsection, continuous employment shall be deemed to include any week in which an individual--

(A) was on employer-authorized leave for purposes of vacation, sickness, injury or inactive duty or active duty military service for training,

(B) was on employer-authorized leave because of circumstances described in subsection 102(a) of the Family and Medical Leave Act of 1993,

(C) did not work because of a disability that is compensable under a worker's compensation law or plan of a State or the United States,

(D) had his, or her, employment interrupted in order to serve as a full-time representative of a labor organization in such firm or subdivision,

(E) was on call-up for purposes of active duty in a reserve status in the Armed Forces of the United States, provided such active duty is "Federal service" as defined in 5 U.S.C. 8521(a)(1), or

(F) was on temporary layoff.

(2) LIMITATIONS.--For the purpose of paragraph (1) of this subsection, no more than the following number of weeks within a one year period may be treated as weeks of employment--

(A) 7 weeks in the case of weeks described in subparagraph (A) or (D) of paragraph (1), or both;

(B) 12 weeks in the case of weeks described in paragraph (B) of paragraph (1); and

C) 26 weeks in the case of weeks described in paragraphs (C) and (E) of paragraph (1).

(e) SAME EMPLOYER.--

(1) IN GENERAL--For purposes of this part, employment deemed to be employment for a single employer shall include-

(A) all employment on jobs that were covered by a multiemployer plan defined by section 4001(a)(3) of the Employee Retirement Income Security Act of 1974;

(B) all employment that was obtained through a single hiring hall,

(C) all employment for the employer from whom the individual was laid-off or the predecessor of such employer, and

(D) all employment for employers in a joint employment relationship, as described in section 791.2(b) of title 29 of the Code of Federal Regulations, with the individual.

(2) DEFINITION OF PREDECESSOR--For purposes of paragraph (1)(C), an employer shall be considered a predecessor of the employer from whom the individual was laid-off (hereinafter referred to as successor employer) if--

(A) the successor employer acquired substantially all the property used in a trade or business, or used

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in a separate unit of a trade or business, from such employer; and

(B) the individual who was laid-off was employed by such employer in such trade or business, or in a separate unit of such trade or business, immediately before the acquisition and was employed by the successor employer immediately after the acquisition.

(f) INDIVIDUAL TREATED AS PARTICIPATING IN EDUCATION OR TRAINING PROGRAM--For purposes of this part, an individual shall be treated as participating, and making satisfactory progress, in an education or training program during any week which is part of a break from training that does not exceed 28 days if the break is provided under such program.

SEC. 203. WEEKLY AMOUNTS.

The retraining income support payable to a permanently laid-off individual for a week of training shall be an amount equal to the most recent weekly benefit amount of the unemployment compensation payable to such individual for a week of total unemployment preceding such individual's first exhaustion of unemployment compensation related to the permanent layoff reduced (but not below zero) by--

(1) any training income support provided for such week to such individual under another Federal program;

(2) income that is earned from employment that exceeds one-half the amount equal to the most recent weekly benefit

amount of the unemployment compensation payable to such individual for a week of total unemployment.

SEC. 204. LIMITATIONS ON RETRAINING INCOME SUPPORT.

(a) INDIVIDUALS WITH THREE YEARS OR MORE OF JOB TENURE--

(1) MAXIMUM AMOUNT--The maximum amount of retraining income support payable to an individual under subsections (a) and (b) of section 202 of this Act shall be the amount which is the product of 52 multiplied by the retraining income support payable to the individual for a week of total unemployment (as determined under section 203), but such product shall be reduced by the total sum of extended and additional unemployment compensation to which the individual was entitled (or would have been entitled had he applied therefor) in the worker's first benefit period as described in section 202(a)(3)(A).

(2) PERIOD OF AVAILABILITY--

(A) Subject to the provisions of paragraph (B) of this subsection, no retraining income support shall be paid for any week occurring after the close of the 104-week period that begins with the first week following the week after the individual was permanently laid-off as described in section 202(a)(1) of this Act.

(B) For the purpose of determining the 104-week period in subparagraph (A) of this subsection, the period of time specified in a certificate of continuing eligibility issued pursuant under section 120 of this

Act during which the individual is employed in job described by that section shall not be counted.

(b) **INDIVIDUALS WITH LESS THAN THREE YEARS OF JOB TENURE**--

(1) **MAXIMUM AMOUNT**--The maximum amount of retraining income support payable to an individual under subsection 202(c) this Act shall be the amount which is the product of 26 multiplied by the retraining income support payable to the individual for a week of total unemployment (as determined under section 203), but such product shall be reduced by the total sum of extended and additional unemployment compensation to which the individual was entitled (or would have been entitled had he applied therefor) in the worker's first benefit period as described in section 202(a)(3)([illegible]).

(2) **PERIOD OF AVAILABILITY**--

(A) Subject to the provisions of paragraph (B) of this subsection, no retraining income support shall be paid for any week occurring after the close of the 78-week period that begins with the first week following the week after the individual was permanently laid-off as described in paragraph (1) section 202(a) of this Act.

(B) For the purpose of determining the 78-week period in paragraph (A) of this subsection, the period of time specified in a certificate of continuing eligibility issued pursuant under section 120 of this

Act during which the individual is employed in a job described by that section shall not be counted.

(c) WEEKS DURING WHICH INDIVIDUAL RECEIVED ON-THE-JOB-TRAINING--No retraining income support shall be paid to an individual under this part for any week during which the individual is receiving on-the-job training.

(d) COORDINATION WITH EXTENDED BENEFITS PROGRAM--Notwithstanding any other provision of this Act or other Federal law, if the benefit year of an individual ends within an extended benefit period, the number of weeks of extended benefits that such worker would, but for this subsection, be entitled to an extended benefit period shall be reduced (but not below zero) by the number of weeks for which the individual was entitled, during such benefit year, to retraining income support under this Act. For purposes of this subsection, the terms "benefit year" and "extended benefit period" shall have the same respective meanings given to them in the Federal-State Extended Unemployment Compensation Act of 1970.

SEC. 205. AGREEMENTS WITH STATES.

(a) AGREEMENT REQUIREMENTS--

(1) The Secretary is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency (referred to in this part as "cooperating States" and "cooperating States agencies" respectively). Under such an agreement, the cooperating State agency (A) will receive applications for, and will provide, payments on

the basis provided in this part, (B) will provide information to each applicant describing the time periods by which enrollment in education must in order to be eligible for retraining income support pursuant to section 202 of this Act, (C) will provide for a system of voluntary withholding of Federal individual income tax for all individuals receiving retraining income support and (D) will otherwise cooperate with the Secretary and with other Federal agencies in providing payments under this part.

(2) Each agreement under this part shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(b) DETERMINATIONS--A determination by a cooperating State agency with respect to eligibility for retraining income support under this part is subject to review in the same manner and to the same extent as determinations under the applicable State law and only in that manner and to that extent.

(c) SURETY BONDS--Any agreement under this part may require any officer or employee of the State certifying payments or disbursing funds under the agreement or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the cost of such bond from funds for carrying out the purposes of this part.

SEC. 206. ADMINISTRATION ABSENT STATE AGREEMENT.

(a) IN GENERAL.--In any State where there is no agreement in force between a State or its agency under section 205 of this Act, the Secretary shall arrange, under prescribed regulations, for performance of all necessary functions under this part, including provisions for a fair hearing for any individual whose application for payments has been denied.

(b) JUDICIAL REVIEW.--A final determination under subsection (a) with respect to eligibility for retraining income support under this part is subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act.

SEC. 207. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) CERTIFYING OFFICERS.--No person designated by the Secretary, or designated pursuant to an agreement under this part, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment certified by him under this part.

(b) DISBURSING OFFICERS.--No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him, or her, under this part if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 208. FRAUD AND RECOVERY OF OVERPAYMENTS.

(a) IN GENERAL.--

(1) If a cooperating State agency, the Secretary, or a court of competent jurisdiction determines that any person

has received any payment under this part to which the person was not entitled, including a payment referred to in subsection (b), such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be, except that the State agency or the Secretary may waive such repayment if such agency or the Secretary determines, in accordance with guidelines prescribed by the Secretary, that--

(A) the payment was made without fault on the part of such individual, and

(B) requiring such repayment would be contrary to equity and good conscience.

(2) Unless an overpayment is otherwise recovered, or waived under paragraph (1), the State agency or the Secretary shall recover the overpayment by deductions from any sum payable to such person under this part, under any Federal unemployment compensation law administered by the State agency or the Secretary, or under any other Federal law administered by the State agency or the Secretary, which provides for the payment of assistance or an allowance with respect to unemployment, and, notwithstanding any other provision of State law or Federal law to the contrary, the Secretary may require the State agency to recover any overpayment under this part by deduction from any unemployment compensation payable to such person under the State law,

except that no single deduction under this paragraph shall exceed 50 percent of the amount otherwise payable.

(b) DISBARMENT.--If a cooperating State agency, the Secretary, or a court of competent jurisdiction determines that an individual--

(1) knowingly has made, or caused another to make, a false statement or representation of a material fact, or

(2) knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation, or of such nondisclosure, such individual has received any payment under this part to which the individual was not entitled,

such individual shall in addition to any other penalty provided by law, be ineligible for any further payments under this part.

(c) FINAL DETERMINATION.--Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the State agency or the Secretary, as the case may be, has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the individual concerned, and the determination has become final.

(d) AMOUNT RECOVERED.--Any amount recovered under this section shall be returned to the Retraining Income Support Account established under section 911 of the Social Security Act.

SEC. 209. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing any payment authorized to be furnished under this part or pursuant to an agreement under section 105 shall be fined not more $1,000 or imprisoned for not more than one year, or both. Nothing in this section shall supersede any other applicable provisions of Title 18 of the United States Code.

SEC. 210. DEFINITIONS.

For purpose of this part--

(1) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(2) The term "State agency" means the agency of the State which administers the State law.

(3) The term "State law" means the unemployment compensation law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1986.

(4) The term "applicable State law" means the State law of the State in which the individual filed, and became eligible, for unemployment compensation.

(5) The term "unemployment compensation" means the unemployment compensation payable to an individual under any State law or Federal unemployment compensation law, including chapter 85 of title 5, United States Code and the Railroad Unemployment Insurance Act.

(6) The term "week" means a week as defined in the applicable State.

(7) The term "benefit period" means, with respect to an individual--

(A) the benefit year and any ensuing period, as determined under the applicable State law, during which the individual is eligible for regular compensation, additional compensation, or extended compensation, or

(B) the equivalent to such a benefit year or ensuing period provided for under the applicable Federal unemployment compensation law.

(8) The term "on-the-job" training means training provided by the employer to an individual who performs services for remuneration for the employer.

(9) The term "Secretary" means the Secretary of Labor.

(10) The term "permanently laid-off" means a layoff under which a recall is not expected within 26 weeks.

(11) The term "extended unemployment compensation" means compensation (including compensation payable pursuant to chapter 85 of title 5) payable for weeks of unemployment beginning in an extended benefit period to an individual under those provisions of a State law which satisfy the requirements of the Federal-State Extended Unemployment Compensation Act of 1970 with respect to the payment of extended compensation.

(12) The term "additional compensation" means compensation payable by reason of conditions of high unemployment or other special factors to individuals who have exhausted their unemployment compensation.

SEC. 211. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this part.

SEC. 212. EFFECTIVE DATE.

The provisions of this part shall take effect on July 1, 1995.

PART B. RETRAINING INCOME SUPPORT ACCOUNT

SEC. 221. ESTABLISHMENT OF RETRAINING INCOME SUPPORT ACCOUNT.

Title IX of the Social Security Act is amended by adding after section 910 the following section:

"SEC. 911. RETRAINING INCOME SUPPORT ACCOUNT.

"(a) ESTABLISHMENT OF ACCOUNT--There is hereby established in the Unemployment Trust Fund a Retraining Income Support Account. For the purposes provided for in section 904(e), such account shall be maintained as a separate book account.

"(b) TRANSFERS TO ACCOUNT--

"(1) TRANSFER OF TAX RECEIPTS--The Secretary of the Treasury shall transfer (as of the close of each month) from the employment security administration account to the retraining income support account established by subsection (a) an amount equal to one fifth of the tax collected under section 3301 of the Internal Revenue Code of 1986, (exclusive of any increased revenue that is the result of a loss of the tax credit permitted under subsections (a) or (b) of section 3302 of the Internal Revenue Code of 1986 or a tax credit reduction under paragraphs (2) or (3) of subsection 3302(c) of such code) and covered into the Treasury.

"(2) LIMITATION ON TRANSFERS--The amount transferred pursuant to paragraph (1) in the following fiscal years shall not exceed the amounts listed in the following table:

Fiscal year	Amount
FY 1996	$350 million
FY 1997	$500 million
FY 1998	$550 million
FY 1999	$580 million
FY 2000	$920 million.

"(3) APPROPRIATION OF FUNDS--All funds transferred to the retraining income support account established by subsection (a) are hereby appropriated for the purpose of transfer to the States pursuant to subsection (c).

"(c) TRANSFERS TO STATES.

"(1) Amounts in the retraining income support account shall be available for transfer to States which have an agreement described in section 205 of the Reemployment Act of 1994.

"(2) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for transfer to each State that has an agreement described in section 205 of the Reemployment Act of 1994 the sums necessary to enable such State to make payments provided by section 202 of such Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification.

"(3) Amounts transferred to a State under paragraph (2) shall be used only in the payment of cash benefits to individuals with respect to their retraining income support provided by section 202 of the Reemployment Act of 1994; and money so received by a State which is not used for such payments shall be returned, at the time specified in the agreement entered into under section 205 of such Act, to the Secretary of the Treasury for deposit in the Retraining Income Support Account established under subsection (a). Nothing in this paragraph shall be construed to prohibit deducting an amount from retraining income support otherwise payable to an individual and using the amount so deducted to pay for either health insurance or the withholding of Federal individual income tax if the individual elected to have such deduction made and, in the case of a deduction for health insurance, such deduction was made under a program approved by the Secretary of Labor.

"(d) REPAYMENT.--Whenever the Secretary of the Treasury (after consultation with the Secretary of Labor) determines that the amount transferred to a State under subsection (c) exceeds the amount necessary to meet the anticipated payments for retraining income support from the account, the Secretary of the Treasury shall demand of that State the amount of such excess, which shall be returned to the Retraining Income Support Account established under subsection (a).".

SEC. 222. FUNDS FOR ADMINISTRATION.

(a) Subparagraph (A) of section 901(c)(1) of the Social Security Act is amended by--

(1) striking "and" at the end of clause (ii);

(2) adding "and" at the end of clause (iii); and

(3) adding at the end thereof the following:

"(iv) assisting the States in the administration of cash benefits for retraining income support under section 202 of the Reemployment Act of 1994."

(b) Subparagraph (B) of section 901(c)(1) of the Social Security Act is amended by--

(1) striking "and" at the end of clause (iv);

(2) adding "and" at the end of clause (v); and

(3) adding at the end thereof the following:

"(vi) title II of the Reemployment Act of 1994."

(c) Section 901(c)(2) of the Social Security Act is amended by--

(1) striking "and" at the end of subparagraph (B);

(2) adding "and" at the end of subparagraph (C); and

(3) adding at the end thereof the following:

"(D) title II of the Reemployment Act of 1994."

SEC. 223. CONFORMING AMENDMENTS.

(a) Subparagraph (B) of section 905(b)(1) of the Social Security Act is amended to read as follows:

"(B) the sum of the payments and transfers during such month from the employment security administration account pursuant to section 901(b) and (d) and section 911(b).".

(b) Section 3302(c)(3) of the Internal Revenue Code Of 1986 is amended by--

(1) striking "or" at the end of subparagraph (A);

(2) adding at the end of subparagraph (B) the following:

"(C) entered into an agreement described in section 205 of the Reemployment Act of 1994, with the Secretary of Labor before July 1, 1995, or

"(D) fulfilled it commitments under an agreement described in section 205 of the Reemployment Act of 1994.".

SEC. 224. EFFECTIVE DATE.

The provisions of this part, and the amendments made by this part, shall take effect on October 1, 1995.

PART C. FINANCING PROVISIONS

SEC. 231. MODIFICATIONS TO FEDERAL UNEMPLOYMENT TAX.

(a) IN GENERAL.--Section 3301 of the Internal Revenue Code of 1986 (relating to the rate of Federal unemployment tax) is amended to read as follows:

"SEC. 3301. RATE OF TAX.

There is hereby imposed on every employer (as defined in section 3306(a)) for each calendar year an excise tax, with respect to having individuals in his employ, equal to 6.2 percent of the total wages (as defined in section 3306(b)) paid by him during the calendar year with respect to unemployment (as defined in section 3306(c)).".

(b) EFFECTIVE DATE.--The provisions of this section shall take effect on the date of enactment of this Act.

SEC. 232. VOLUNTARY WITHHOLDING OF FEDERAL INDIVIDUAL INCOME TAX.

(a) AUTHORITY FOR WITHHOLDING.--Section 3402 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(t) VOLUNTARY WITHHOLDING ON UNEMPLOYMENT AND OTHER BENEFITS.--For purposes of this chapter, amounts subject to tax under section 85(a), and amounts provided as retraining income support under section 202 of the Reemployment Act of 1994, shall be treated as if they were a payment of wages by an employer to an employee subject to withholding at a rate of 15% of the amount paid, if the person to whom the benefits are paid so elects. For purposes of this chapter, these amounts will be treated as wages to the extent paid during the period for which the election remains in effect. The election shall be made in such form and manner as the Secretary may provide.".

(b) ADDITIONAL REQUIREMENT FOR APPROVAL OF STATE LAW.--Section 3304(a) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraph:

"(19) provides for a system for the deduction and withholding of Federal individual income tax from unemployment compensation where an individual receiving such compensation voluntarily requests such deduction and withholding."

(c) CONFORMING AMENDMENTS.--

(1) Subparagraph (C) of section 3304(a)(4) of the Internal Revenue Code of 1986 is amended by inserting after "health insurance" the following:

", or the withholding of Federal individual income tax,".

(2) Paragraph (5) of section 303(a) of the Social Security Act is amended by inserting after "health insurance" the following:

", or the withholding of Federal individual income tax,".

(d) EFFECTIVE DATE.--

The provisions of this section and the amendments made by this section shall take effect on January 1, 1996.

PART D--INTEGRATION OF TRADE-IMPACTED WORKERS INTO THE COMPREHENSIVE REEMPLOYMENT SYSTEM

SEC. 241. PHASEOUT OF TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) PHASEOUT--Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 preceding note) is amended by striking subsection (c) and inserting the following:

"(c) No technical assistance may be provided under chapter 3, after September 30, 1998.

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"(d)(1) Except as provided in paragraph (2), no assistance may be provided under chapter 2 (including subchapter D of such chapter) on or after July 1, 1995.

"(2) Notwithstanding paragraph (1), if, on or before June 30, 1995, an individual--

"(A) is receiving assistance under chapter 2 (including subchapter D of such chapter), and

"(B) is otherwise eligible to receive assistance in accordance with the requirements of such chapter,

such worker shall continue to be eligible to receive such assistance for any week for which the worker meets the eligibility requirements of the section under which the initial eligibility was determined.".

(b) EFFECTIVE DATE--The provisions of this section shall take effect on the date of enactment of this Act.

SEC. 242. TEMPORARY PROGRAM FOR THE CERTIFICATION OF TRADE-IMPACTED WORKERS.

(a) ESTABLISHMENT OF TRANSITIONAL CERTIFICATION PROGRAM--In order to promote the effective integration of trade-impacted workers into the comprehensive system of worker reemployment and retraining income support, there is established within the Department of Labor a temporary, transitional certification program.

(b) COMPONENTS OF CERTIFICATION PROGRAM--

(1) GROUP ELIGIBILITY REQUIREMENTS--The Secretary shall certify a group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) as

eligible for services under title I of this Act and eligible to apply for retraining income support in accordance with section 202(b) of this Act if the Secretary determines--

(A) that a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have been laid-off, or are threatened to become laid-off,

(B) that sales or production, or both, of such firm or subdivision have decreased absolutely, and

(C) that increases of imports of articles like or directly competitive with articles produced by such workers' firm or an appropriate subdivision thereof contributed importantly to the layoffs, or threat thereof, and to such decline in sales or production.

(2) For purposes of subsection (a)(3)--

(A) The term "contributed importantly" means a cause which is important but not necessarily more important than any other cause.

(B) Any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas shall be considered to be a firm producing oil or natural gas.

(C) Any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas, or otherwise produces oil or natural gas, shall be considered to be producing articles directly competitive with imports of oil and with imports of natural gas.

(2) PETITIONS.--A petition for a certification of eligibility for services under title I of this Act and eligibility to apply for retraining income support in accordance with section 202(b) of this Act may be filed with the Secretary by a group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) or by their certified or recognized union or other duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that such petition has been received and an investigation has begun.

(3) DETERMINATION BY SECRETARY OF LABOR.--

(A) CERTIFICATION OF ELIGIBILITY.--As soon as possible after the date on which a petition is filed under paragraph (2), but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of paragraph (1) and shall issue a certification of eligibility for services under title I of this Act and to apply for retraining income support in accordance with section 202(b) of this Act. Each certification shall specify the date on which the layoffs began or threatened to begin.

(B) WORKERS COVERED BY CERTIFICATION.--A certification under this section shall not apply to any worker whose last layoff from the firm or appropriate subdivision of the firm before his application under paragraph (2) occurred more than one year before the date of the petition on which such certification was granted.

(C) PUBLICATION OF DETERMINATION IN FEDERAL REGISTER.--Upon reaching a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register together with the reasons for making such determination.

(D) TERMINATION OF CERTIFICATION.--Whenever the Secretary determines, with respect to any certification of eligibility of the workers of a firm or subdivision of the firm, that layoffs from such firm or subdivision are no longer attributable to the conditions specified in paragraph (1), the Secretary shall terminate such certification and promptly have notice of such termination published in the Federal Register together with the reasons for making such determination. Such termination shall apply only with respect to layoffs occurring after the termination date specified by the Secretary.

(4) SUBPENA POWER.--

(A) SUBPENA BY SECRETARY.--The Secretary may require by subpena the attendance of witnesses and the production of evidence necessary for him to make a determination under the provisions of this section.

(B) COURT ORDER.--If a person refuses to obey a subpena issued under subparagraph (A), a United States district court within the jurisdiction of which the relevant proceeding under this section conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpena.

(c) EFFECTIVE DATE.--

Petitions for certification under this section may be filed on or after July 1, 1995, but not later than July 1, 1999.

PART E--UNEMPLOYMENT COMPENSATION FLEXIBILITY

SEC. 251. TREATMENT OF SHORT-TIME COMPENSATION PROGRAMS.

(a) GENERAL RULE.--Section 3306 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(u) SHORT-TIME COMPENSATION PROGRAM.- For purposes of this chapter, the term 'short-time compensation program' means a program under which--

"(1) the participation of an employer is voluntary;

"(2) an employer reduces the number of hours worked by employees in lieu of temporary layoffs;

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"(3) such employees whose workweeks have been reduced by at least 10 percent are eligible for unemployment compensation;

"(4) the amount of unemployment compensation payable to any such employee is a pro rata portion of the unemployment compensation which would be payable to the employee if such employee were totally unemployed;

"(5) such employees are not required to meet the availability for work or work search test requirements while collecting short-time compensation benefits, but are required to be available for their normal workweek;

"(6) eligible employees may participate in an employer-sponsored training program to enhance jobs skills if such program has been approved by the State agency;

"(7) the State agency may require an employer to continue to provide health benefits, and retirement benefits under a defined benefit pension plan (as defined in section 3(35) of the Employee Retirement Income Security Act of 1974)), to any employee whose workweek is reduced pursuant to the program as though the workweek of such employee had not been reduced;

"(8) the State agency may require an employer (or an employers' association which is party to a collective bargaining agreement) to submit a written plan describing the manner in which the requirements of this subsection will be implemented and containing such other information as the Secretary of Labor determines is appropriate; and

"(9) the program meets such other requirements as the Secretary of Labor determines are appropriate.".

(b) CONFORMING AMENDMENTS.--

(1) Subparagraph (E) of section 3304(a)(4) of such Code is amended to read as follows:

"(E) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program (as defined under section 3306(u));".

(2) Paragraph (4) of section 3306(f) of such Code is amended to read as follows:

"(4) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program (as defined under subsection (u));".

(3) Section 303(a)(5) of the Social Security Act is amended by striking "the payment of short-time compensation under a plan approved by the Secretary of Labor" and inserting "the payment of short-time compensation under a short-time compensation program (as defined in section 3306(u) of the Internal Revenue Code of 1986).".

SEC. 252. TREATMENT OF REEMPLOYMENT BONUS PROGRAMS.

(a) GENERAL RULE.--Section 3306 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(v) REEMPLOYMENT BONUS PROGRAM.--For purposes of this chapter, the term 'reemployment bonus program' means a program under which--

"(1) a reemployment bonus is paid in a lump sum to individuals who meet the requirements of paragraph (4) as an incentive to rapid reemployment;

"(2) the reemployment bonus payable to individuals pursuant to paragraph (1) is in an amount not in excess of 4 times the weekly amount of regular unemployment compensation payable to such individuals;

"(3) an amount equal to the amount of the reemployment bonuses paid pursuant to paragraph (1) is charged against the amount that may be paid to such individuals for regular unemployment compensation under State law;

"(4) individuals may receive the reemployment bonus described in paragraph (1) if such individuals--

"(A) were eligible to receive unemployment compensation under the State law for the week preceding the commencement of full-time employment obtained in accordance with subparagraph (C);

"(B) were identified pursuant to a State profiling system (established in accordance with section 303(j) of the Social Security Act) as individuals likely to exhaust regular unemployment compensation;

"(C) obtained full-time employment within a period of time specified under State law, but not in excess of 12 weeks from the date of the filing of the initial claim;

"(D) are employed by employers other than the employers by whom such individuals were employed immediately prior to receiving unemployment compensation under the State law or during the base period;

"(E) retained full-time employment for a period not less than 4 months after obtaining employment in accordance with subparagraph (C);

"(5) the program does not result in any cost to the Unemployment Trust Fund (established by section 904(a) of the Social Security Act) in excess of the cost that would be incurred by such State and charged to such Fund if the State had not participated in such program;

"(6) a State desiring to conduct such program submits a plan describing the manner in which the requirements of this subsection will be implemented and the Secretary of Labor approves such plan; and

"(7) the program meets such other requirements as the Secretary of Labor determines to be appropriate.".

(b) CONFORMING AMENDMENTS.--

(1) Paragraph (4) of section 3304(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(G) amounts may be withdrawn for the payment of reemployment bonuses under a reemployment bonus program (as defined in section 3306(v);".

(2) Subsection (f) of section 3306 of such Code is amended by adding at the end thereof the following new paragraph:

"(6) amounts may be withdrawn for the payment of reemployment bonuses under a reemployment bonus program (as defined in subsection (v));".

(3) Section 303(a)(5) of the Social Security Act is amended by adding at the end thereof:

":Provided further, That amounts may be withdrawn for the payment of reemployment bonuses under a reemployment bonus program (as defined in section 3306(v) of the Internal Revenue Code of 1986); and".

SEC. 253. EXTENSION OF SELF-EMPLOYMENT ASSISTANCE PROGRAM.

(a) EXTENSION OF PROGRAM.--Paragraph (2) of Section 507(e) of the North American Free Trade Agreement Implementation Act is hereby repealed.

(b) CONFORMING AMENDMENTS.--Subsection (e) of section 507 of such Act is further amended by--

(1) amending the heading after the subsection designation to read "EFFECTIVE DATE.--", and

(2) striking "(1) EFFECTIVE DATE.--".

SEC. 254. EFFECTIVE DATE.

This part, and the amendments made by this part, shall take effect on the date of enactment of this Act.

TITLE III--ONE-STOP CAREER CENTER SYSTEM

SEC. 301. STATEMENT OF PURPOSE.

It is the purpose of this title to--

(1) establish a national program of grants and waivers of Federal statutory and regulatory requirements to provide the States with the opportunity, on a voluntary basis, to develop and implement networks of one-stop career centers;

(2) provide seed money to encourage the development of a flexible, nationwide system of One-Stop Career Centers;

(3) promote universal access, by individuals and employers, to a comprehensive menu of quality employment, education and training information and services;

(4) encourage a customer-centered approach to the provision of services, including features to enhance customer choice and ensure that the satisfaction of individuals with services received is a primary consideration in the administration of the program;

(5) establish a governance structure composed of State, local and Federal partners to ensure common goals, effective planning, service coordination and oversight of Statewide One-Stop Career Center networks; and

(6) provide the States and local areas with increased flexibility in the administration of employment and training programs in exchange for greater accountability for outcomes.

PART A--COMPONENTS OF VOLUNTARY ONE-STOP CAREER CENTER SYSTEM

SEC. 311. GENERAL REQUIREMENTS.

For purposes of receiving a grant or waiver under this title (except as provided in section 333(b)(1)(A)), a one-stop career center system shall include--

(1) the establishment and operation of a workforce investment board in accordance with section 312;

(2) the establishment of one-stop career centers in accordance with the procedures described in section 313;

(3) the provision of services through the one-stop career centers in accordance with section 314;

(4) the participation of federal programs in accordance with section 315;

(5) agreements concerning the operation of the one-stop career centers in accordance with section 316;

(6) quality assurance systems in accordance with section 317; and

(7) the establishment and operation of a State Human Resource Investment Council in accordance with section 318.

SEC. 312. WORKFORCE INVESTMENT BOARDS.

(a) DESIGNATION OF ONE-STOP SERVICE AREAS.--

(1) The Governor shall, after consultation with the State Human Resource Investment Council, designate one-stop service areas within the State.

(2) The one-stop service areas designated pursuant to paragraph (1) shall be--

(A) the geographic boundaries of the labor market areas within the State, except that no service delivery area or substate area may be divided among two or more areas;

(B) the substate areas or consortium of such areas; or

(C) the service delivery areas or consortium of such areas.

(3) The Governor may not redesignate one-stop service areas more frequently than once every four years.

(b) ESTABLISHMENT OF BOARDS.--

(1) IN GENERAL.--For each one-stop service area designated under subsection (a), the local elected officials from such area shall establish a workforce investment board that meets the requirements of this subsection.

(2) COMPOSITION.--Each workforce investment board shall consist of--

(A) representatives of private sector employers, who shall constitute a majority of the board and who shall be owners of business concerns, chief executives or chief operating officers of businesses, or the chief manager of a plant or subdivision of a firm;

(B) representatives of organized labor and community-based organizations, who shall constitute not less than 25 percent of the membership of the board and who shall be officers of such organizations;

(C) representatives of educational institutions;

(D) appropriate community leaders, such as leaders of economic development agencies, human service agencies and institutions, veterans organizations, and entities providing job training; and

(E) a local elected official, who shall be a non-voting member.

(3) NOMINATIONS.--

(A) EMPLOYER REPRESENTATIVES.--(i) The representatives of employers under paragraph (2)(A) shall be selected from among individuals nominated by general purpose business organizations after consulting with, and receiving recommendations from, other business organizations in the one-stop service area.

(ii) For the purposes of this subparagraph, the term "general purpose business organizations" means organizations which admit to membership any for-profit business operating within the one-stop service area.

(B) LABOR REPRESENTATIVES.--The representatives of organized labor under paragraph (2)(B) shall be selected from individuals recommended by recognized State and local labor federations. If the State or local labor federation fails to nominate a sufficient number of individuals to be appointed for such category, individual workers may be included on the board as labor representatives.

(C) ELECTED OFFICIAL.--In any case in which there are two or more units of general local government in the one-stop service area, the local elected officials of such units shall determine which official shall be appointed to the board.

(D) OTHER MEMBERS.--The members of the board appointed to represent community-based organizations under paragraph (2)(B), educational institutions under paragraph (2)(C), and the community leaders appointed under paragraph (2)(D) shall be selected from individuals recommended by interested organizations.

(4) APPOINTMENT PROCESS.--(A)(i) In any case in which there is only one unit of general local government within the one-stop service area, the chief elected official of that unit shall appoint members to the board from the individuals nominated or recommended under paragraph (3).

(ii) In any case in which there are two or more such units of general local government in the one stop service area, the chief elected officials of such units shall appoint members to the board from the individuals so nominated or recommended in accordance with an agreement entered into by such units of general local government. In the absence of such an agreement, the appointments shall be made by the Governor from the individuals so nominated or recommended.

(B) The number of members of the board shall be initially determined--

(i) by the chief elected official in the case described in subparagraph (A)(i),

(ii) by the chief elected officials in accordance with the agreement in the case described in subparagraph (A)(ii), or

(iii) by the Governor in the absence of such agreement.

Thereafter, the number of members of the board shall be determined by the board.

(C) Members shall be appointed for fixed and staggered terms and may serve until their successors are appointed. Any vacancy in the membership of the board shall be filled in the same manner as the original appointment. Any member of the board may be removed for cause in accordance with procedures established by the board.

(5) CHAIRPERSON.--Each workforce investment board shall elect a chairperson, by a majority vote of the members of the board, from among members of the Board who are not the local elected official or heads of public agencies. The term of the chairperson shall be determined by the board.

(6) STAFF.--The Chairperson of each workforce investment board shall appoint staff, who are not concurrently on the staff of any participating program, to assist such board in carrying out the functions prescribed in this section. Such staff may include an executive director.

(7) CONFLICT OF INTEREST.--No member of a workforce investment board shall cast a vote on the provision of services by that member (or any organization which that member directly represents) or vote on any matter which would provide direct financial benefit to that member.

(8) PRIVATE INDUSTRY COUNCILS.--A private industry council may become a workforce investment board if the local elected official or officials determine such council is appropriate and such council--

(A) meets the requirements of this subsection, or

(B) is reconstituted to meet the requirements of this subsection.

(9) STATE HUMAN RESOURCE INVESTMENT COUNCIL.--In any case in which the one-stop service area is a State, the State human resource investment council or a portion of such council may be reconstituted to meet the requirements of this subsection.

(10) CERTIFICATION.--The Governor shall certify a workforce investment board if the Governor determines that its composition and appointments are consistent with the provisions of this subsection. Such certification shall be made or denied within 30 days after the date on which the list of members and necessary supporting documentation are submitted to the Governor. When the Governor certifies the board, it shall be convened within 30 days by the official or officials who made the appointments under paragraph (4).

(c) FUNCTIONS OF BOARD.--

(1) STRATEGIC PLANNING.--Each workforce investment board shall develop a strategic plan and provide policy guidance with respect to the workforce development programs that are administered in the one-stop service area. Such strategic plan shall be consistent with the statewide strategic plan developed by the State Human Resource Investment Council pursuant to section 318 and shall include:

(A) measurable objectives for improving the quality and effectiveness of workforce preparation, development and training in the one-stop service area; and

(B) methods for coordinating the workforce development programs conducted in the one-stop service area to enhance the delivery of services, including methods to maximize the coverage of such workforce and appropriate population subgroups, and ensure equitable access to services by such subgroups.

(2) IDENTIFICATION OF OCCUPATIONS IN DEMAND AND TRAINING NEEDS.--In carrying out this subsection, the workforce investment board shall utilize available labor market information and other appropriate methods in order to identify the jobs currently available, the occupations currently in demand, and the occupations likely to be in demand in the future in the one-stop service area; the skill requirements relating to such jobs and occupations; and education and training services in the one-stop service area that are available to assist individuals in acquiring such skills. Such information shall be used in developing the goals of, and activities to be provided by, the workforce development programs in the labor market area and disseminated to the public through the one-stop career centers established in such area.

(3) BUDGETS.--The workforce investment board shall review and approve the budgets of the participating programs

described in subparagraphs (A)-(E) of section 315(a), and the budgets for the one-stop career centers pursuant to section 316(c), and review and provide recommendations regarding the budgets of other participating programs described in section 315(b) to encourage coordination and enhance the delivery of services.

(4) ASSUMPTION OF FUNCTIONS.--

(A) IN GENERAL.--The workforce investment board shall assume the functions of the private industry council described in section 103 of the Job Training Partnership Act and of the Job Service Employer Committees.

(B) LIMITATION.--The workforce investment board shall not be the administrative entity for programs under title II of the Job Training Partnership Act and shall not operate any other programs.

(5) OVERSIGHT.--The workforce investment board shall conduct oversight of the implementation of the strategic plan and the overall performance of the participating programs described in section 315.

(6) CHARTERING OF CENTERS.--Each workforce investment board shall administer the procedures for the chartering of one-stop career centers described in section 314(c).

SEC. 313. ESTABLISHMENT OF ONE-STOP CAREER CENTERS.

(a) IN GENERAL.--The Governor and local elected official or officials shall jointly select either the option described in subsection (b) or the option described in subsection (c) as the method for establishing one-stop career centers for each one-stop service area.

(b) CONSORTIUM OPTION.--

(1) CONSORTIUM MEMBERS.--One-stop career centers in the one-stop service area shall be administered by a consortium that consists of--

(A) the Employment Service;

(B) the substate grantee or grantees for title I of this Act;

(C) the administrative entity or entities for title II of the Job Training Partnership Act;

(D) the State agency charged with the administration of the State unemployment compensation law, unless such agency chooses not to participate; and

(E) one or more additional entities that shall be--

(i) any unit of government,

(ii) any public or private provider of reemployment, education and training or social services, or

(iii) a consortium of the entities described in clauses (i) and (ii).

(2) ESTABLISHMENT CRITERIA.--In order to be designated to operate the one-stop career center system, the consortium established in accordance with paragraph (1) shall

demonstrate to the satisfaction of the workforce investment board the ability of such consortium to--

(A) meet the criteria described in clauses (i)-(vi) of subsection (c)(6)(B),

(B) provide for customer choice in obtaining the basic services described in section 314(a) by--

(i) operating two or more centers, and

(ii) administering budget resources to reflect, at least in part, the extent to which each center is used by the public, and

(C) provide equitable access to centers by segments of the population within the one-stop service area.

(3) INTEGRATION OF PROGRAM ADMINISTRATION.--Consortia established in accordance with paragraph (1) shall, in addition to meeting the establishment criteria described in paragraph (2), identify to the workforce investment board procedures that would be used to promote the integration of the administration of the programs conducted by the members of such consortium, such as procedures to provide for the cross-training of staff, promote the collocation of facilities, and encourage the use of common forms and practices.

(4) RENEWAL OF CHARTER.--The Governor and local elected official or officials, in consultation with the workforce investment board, shall review the performance of the

consortium and once every four years determine whether to renew the charter of the consortium.

(c) MULTIPLE INDEPENDENT OPERATOR OPTION.--

(1) MULTIPLE INDEPENDENT OPERATORS.--The workforce investment board shall select, in accordance with the requirements of this subsection, two or more entities to operate one-stop career centers in the one-stop service area.

(2) ELIGIBLE ENTITIES.--Any entity or consortium of entities located in the one-stop service area may apply, in accordance with the procedures described in paragraph (4), to be selected as a one-stop career center operator. Such entities may include--

(A) Employment Service offices,

(B) career center operators under title I of this Act,

(C) service delivery area grant recipients or administrative entities under the Job Training Partnership Act,

(D) community colleges and area vocational schools,

(E) community-based and other private for-profit and nonprofit organizations, and

(F) other interested private and public organizations and entities.

(3) **SPECIAL RULE.**--If the Employment Service, or a consortium including the Employment Service, applies to be selected as one-stop career center operator and such Employment Service or consortium meets the selection criteria developed pursuant to paragraph (6), the workforce investment board shall select such Employment Service or consortium to be one of the operators.

(4) **PUBLICATION OF PROCEDURES.**--The workforce investment board, after consultation with the Governor and local elected officials, shall publish, in a manner that is generally available, information to notify organizations and individuals in the one-stop service area of--

(A) the estimated number of one-stop career centers needed and proposed number of operators to be selected in the one-stop service area, as determined in accordance with paragraph (5);

(B) the application procedure for any entity or consortium of entities to be selected as such center operator, including when and where such application is to be submitted and what information such application is to contain;

(C) the criteria for selection that will be used, as determined in accordance with paragraph (6); and

(D) other information the workforce investment board considers relevant to the selection and administration of such center operators.

(5) NUMBER OF ONE-STOP CENTER OPERATORS.--The workforce investment board shall determine the number of one-stop career center operators to be selected in the one-stop service area. In determining the appropriate number of such operators, which shall not be less than two, the workforce investment board shall take into account--

(A) the size of the labor market;

(B) the number of customers who will potentially use the one-stop career centers, including unemployed and discouraged workers, employed workers, economically disadvantaged individuals, students, out-of-school youth, older workers, veterans, and employers;

(C) the number and capabilities of potential operators; and

(D) equitable access to centers by segments of the population within the one-stop service area.

(6) SELECTION CRITERIA.--

(A) OBJECTIVE FACTORS.--The workforce investment board, consistent with guidelines issued by the Secretary, shall use objective criteria and performance measures in assessing applications submitted for selection as a one-stop career center operator.

(B) CONTENTS.--An applicant may not be selected as a one-stop career center operator under this title unless such applicant demonstrates to the satisfaction of the workforce investment board the ability to establish a one-stop career center or centers that would--

(i) provide the services described in section 314;

(ii) utilize automated information systems to facilitate the exchange of information among career centers;

(iii) meet the performance standards prescribed pursuant to section 317;

(iv) ensure effective fiscal and program management;

(v) administer the process of referring participants to education and training services in an objective and equitable manner; and

(vi) provide services on a nondiscriminatory basis to the population in the one-stop service area.

(7) SINGLE OPERATOR EXCEPTION.--Notwithstanding the number of operators to be selected pursuant to paragraph (5), if only one applicant meets the selection criteria developed pursuant to paragraph (6), the workforce investment board may select the single applicant to operate the one-stop career center system

(8) PERIOD OF SELECTION.--The workforce investment board shall select one-stop career center operators pursuant

to the requirements of this subsection once every four years.

(d) **CHARTERS**.--The workforce investment board shall issue a charter to each one-stop career center designated pursuant to this section. Such charter shall--

(1) identify the number and location of the one-stop career centers in the one-stop service area;

(2) identify the entity or entities operating the one-stop career centers;

(3) provide for the display of the one-stop career center national logo developed pursuant to section 343(c);

(4) include such other conditions as the workforce investment board determines is appropriate.

(e) ENFORCEMENT OF HONEST BROKER FUNCTIONS.--The workforce investment board shall review, not less than once each program year, the education and training referral practices of any one-stop career center that is operated by an entity that concurrently provides education and training services to participants under this title. If the workforce investment board determines that such center has engaged in a pattern of inappropriate referrals to the education and training services provided by the operator of such center, the Board may terminate the charter to operate such center or may require such operator to cease providing education and training services to participants under this title as a condition for continuing to operate such center.

SEC. 314. SERVICES TO BE PROVIDED THROUGH ONE-STOP CAREER CENTERS.

(a) BASIC SERVICES.--Each one-stop career center established pursuant to this title shall make available to the public free of charge the following basic services:

(1) outreach to make individuals aware of, and encourage the use of, employment and training services, including efforts to expand awareness of training and placement opportunities for limited-English proficient individuals, disadvantaged youth and adults, and individuals with disabilities;

(2) intake and orientation to the information and services available through such center;

(3) assistance in filing an initial claim for unemployment compensation;

(4) preliminary assessment of the skill levels (including appropriate testing) and service needs of such individuals, which may include such factors as basic skills, occupational skills, prior work experience, employability, interests, aptitudes, and supportive service needs;

(5) information relating to local, regional and national labor markets, including--

(A) job vacancy listings in such markets, and

(B) information relating to local occupations in demand and the earnings and skill requirements for such occupations;

(6) job search assistance, including resume and interview preparation, and workshops;

(7) job referral and job placement assistance;

(8) information relating to job training and education programs (including student financial assistance), including the eligibility requirements of and services provided by such programs, the availability and quality of such programs, and referrals to such programs where appropriate;

(9) information collected pursuant to the performance standards and customer feedback requirements of section 317;

(10) assistance in evaluating whether such individuals are likely to be eligible for any program participating in the career center;

(11) information relating to programs and providers of dependent care and other supportive services available in the local area;

(12) soliciting and accepting job orders submitted by employers in the one-stop service area, and screening and referring applicants in accordance with such orders.

(b) INTENSIVE SERVICES.--Each one-stop career center established pursuant to this title shall make available to participants in the program described under title I of this Act who are unable to obtain employment through the basic services described in subsection (a), and may make available to other individuals, in accordance with the written agreement developed pursuant to section 316, the following intensive services:

(1) comprehensive and specialized assessments of the skill levels and service needs of individuals, which may include--

(A) diagnostic testing and other assessment tools; and

(B) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;

(2) the development of an individual reemployment plan, which shall identify the employment goal (including in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and the appropriate combination of services for a participant to achieve the employment goal;

(3) group counseling, including peer counseling, which may be available to individuals jointly with their immediate families, and which may include counseling relating to stress management and financial management and which shall be a basic service for participants in the program established under title I of this Act; and

(4) individualized counseling and career planning, including peer counseling and counseling and planning relating to nontraditional employment opportunities;

(5) case management for individuals receiving education, training and supportive services, including

periodically reviewing the individual's progress toward achieving his or her employment goal;

(6) job development;

(7) out-of-area job search allowances;

(8) relocation allowances;

(9) assistance in the selection of education and training providers;

(10) assistance in obtaining income support for which the individual is eligible, to enable such individual to participate in training;

(11) supportive services; and

(12) follow-up counseling for individuals placed in training or employment.

(c) SPECIALIZED EMPLOYER SERVICES.--Each one-stop career center established pursuant to this title may provide to employers the following services:

(1) customized screening and referral of individuals for employment;

(2) customized assessment of skill levels of the employer's current employees;

(3) analysis of the employer's workforce skill needs; and

(4) other specialized employment and training services.

(d) ADDITIONAL SERVICES.--Each one-stop career center established pursuant to this title may make available such additional services as are specified in the written agreement under section 316.

(e) FEES.--

(1) IN GENERAL.--(A) Except as provided in subparagraph (B), each one-stop career center may charge fees for the services described in subsections (b), (c) and (d) if such fees are approved by the workforce investment board.

(B) No fees may be charged to an individual for any service which such individual is eligible to receive free of charge under any participating program described in section 315 unless there are no funds available under such program to provide such services.

(2) PROGRAM INCOME.--All program income received by a one-stop career center that is operated by a public or private non-profit entity from the fees collected pursuant to paragraph (1) shall be used to expand or enhance the services provided by such center.

SEC. 315. PARTICIPATING PROGRAMS.

(a) MANDATORY PROGRAMS.--

(1) IN GENERAL.--Subject to the provisions of paragraph (2), the following programs shall make available to participants through the one-stop career centers the services described in section 314(a) that are applicable to such program and shall participate in the operation of such centers as a party to the agreement described in section 316:

(A) programs authorized under title I of this Act;

(B) programs authorized under the Wagner-Peyser Act;

(C) programs authorized under chapter 41 of title 38, United States Code;

(D) programs authorized under title II of the Job Training Partnership Act;

(E) programs authorized under title V of the Older Americans Act; and

(F) programs authorized under Federal and State unemployment compensation laws.

(2) ADDITIONAL CONDITIONS.--

(A) The programs authorized under title I of this Act shall provide the services described in subsections (a) and (b) of section 314 through the one-stop career centers, which shall replace the career centers established pursuant to section 118 of this Act.

(B) The program authorized under the Wagner-Peyser Act shall provide the applicable services described in subsections (a) and (b) of section 314 only through the one-stop career centers.

(C) The program authorized under chapter 41 of title 38, United States Code, shall make available through the one-stop career centers the applicable services described in subsections (a) and (b) of section 314, and may, in addition, provide such services through other locations.

(D) The programs described under subparagraphs (C), (D), (E), and (F) of paragraph (1) may, in addition to providing applicable services under section 314(a) through the one-stop career centers, provide such services through other locations and service providers.

(E) The programs described in paragraph (1) may provide additional services through the one-stop career centers in accordance with the written agreement described in section 316.

(b) VOLUNTARY.--In addition to the programs described in subsection (a), other human resource programs may provide services through the one-stop career centers and participate in the operation of such centers as a party to the agreement described in section 316 if the workforce investment board, local elected official or officials, the Governor, and other participating programs approve such participation. Such programs may include programs authorized under:

(1) part F of title IV of the Social Security Act (the Job Opportunities and Basic Skills (JOBS) program);

(2) section 6(d)(4) of the Food Stamp Act of 1977 (the Food Stamp Employment and Training Program);

(3) part B of title IV of the Job Training Partnership Act (Job Corps);

(4) programs authorized under title IV-C of the Job Training Partnership Act;

(5) the Carl D. Perkins Vocational and Applied Technology Education Act;

(6) the Adult Education Act;

(7) the Vocational Rehabilitation Act; and

(8) the School-to-Work Opportunities Act.

SEC. 316. OPERATING AGREEMENTS.

(a) IN GENERAL.--The one-stop career center operators selected pursuant to section 313 shall enter into a written agreement with the workforce investment board and participating programs described in section 315 concerning the operation of the one-stop career centers. Such agreement shall be subject to the approval of the local elected official and the Governor, who shall oversee the development of such agreement, ensure that the agreement meets the requirements of this section, and monitor the implementation of such agreement.

(b) CONTENTS.--The written agreement required under subsection (a) shall contain the following:

(1) the services to be provided by the centers, consistent with section 314, and the extent to which participating programs will provide services to program participants through such centers, consistent with section 315;

(2) methods for referral of individuals by the one-stop career centers to the appropriate services and programs;

(3) the financial and nonfinancial contributions to be made to the centers by each participating program, which shall be based on factors including the number of participants served by the centers from each participating program and the quality of services provided;

(4) the financial liability of the respective parties relating to the funds contributed by the participating programs;

(5) the financial contributions to be made for the administration of the workforce investment board by each participating program;

(6) methods of administration, including provisions for monitoring and oversight of the centers and of this agreement;

(7) a description of how services are to be provided by the centers, such as the methods and appropriate test instruments to be used to assess the skill levels of individuals;

(8) the procedures to ensure the utilization of a common local job bank;

(9) the procedures to be used to ensure compliance with the statutory and regulatory requirements of the participating programs;

(10) the duration of the agreement and the procedures for amending the agreement during its term; and

(11) such other provisions, consistent with the requirements of this title, that the parties deem appropriate.

(c) ONE-STOP CAREER CENTER AND BOARD BUDGETS.--The parties to the written agreement described under subsection (a) shall supplement the written agreement by developing an annual budget for the one-stop career centers and the workforce investment board. The budget for the board shall be subject to the approval of the local elected official. The budget for the career centers shall be subject to approval of the local elected official and the Governor.

SEC. 317. QUALITY ASSURANCE SYSTEMS.

(a) PERFORMANCE STANDARDS.--

(1) IN GENERAL.--The Secretary, after consultation with the Governors, workforce investment boards, and one-stop career center operators, shall prescribe performance standards relating separately to the one-stop career centers and the workforce investment boards established under this title. Such standards shall be based on factors the Secretary determines are appropriate, which may include:

(A) in the case of one-stop career centers--

(i) placement, retention and earnings of participants in unsubsidized employment, including--

(I) wages and benefits at a specified period after termination from the program,

(II) full-time and part-time employment, and

(III) comparability of wages at a specified period after termination from the program with wages prior to participation in the program;

(ii) the provision of services to hard-to-serve populations, such as individuals who are basic skills deficient, school dropouts, individuals with disabilities, older workers with obsolete skills, economically disadvantaged individuals, and others who face serious barriers to employment;

(iii) acquisition of skills pursuant to a skill standards and skill certification system endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

(iv) satisfaction of participants with services provided and the employment outcomes;

(v) satisfaction of employers with job performance of individuals placed; and

(vi) measures of the cost efficiency of the one-stop career centers;

(B) in the case of the workforce investment boards--

(i) job openings received from employers, including the proportion of employers in the one-stop service area that list jobs with the one-stop career centers;

(ii) job openings filled through the one-stop career centers; and

(iii) the overall performance of the career centers in the one-stop service area.

(2) ADJUSTMENTS.--Each Governor shall, within parameters established by the Secretary, prescribe adjustments to the performance standards prescribed under paragraph (1) for the one-stop career centers and workforce investment boards established in the State based on--

(A) specific economic, geographic and demographic factors in the State and in one-stop service areas within the State; and

(B) the characteristics of the population to be served, including the demonstrated difficulties in serving special populations.

(3) FAILURE TO MEET STANDARDS.--

(A) UNIFORM CRITERIA.--The Secretary shall establish uniform criteria for determining whether a stop career center or workforce investment board fails to meet performance standards under this section.

(B) TECHNICAL ASSISTANCE.--The Governor shall provide technical assistance to one-stop career centers and workforce investment boards failing to meet performance standards under the uniform criteria established under paragraph (1).

(C) REPORT ON PERFORMANCE.--Each Governor shall include in the report to the Secretary the final performance standards and performance for each one-stop career center and workforce investment board within the State, along with the technical assistance planned and provided as required under subparagraph (B).

(D) REVOCATION OF CHARTER.--If a one-stop career center continues to fail to meet such performance standards for two consecutive program years, the Governor shall notify the Secretary and the one-stop career center of the continued failure, and the workforce investment board shall--

(i) in the case of a one-stop career center selected pursuant to the multiple independent operator option, terminate the operating agreement and select another entity as the one-stop career center consistent with the procedures described in section 313(b); and

(ii) in the case of a one-stop career center operated under the consortium option, terminate the operating agreement to operate such center and to select another entity as a one-stop career center, consistent with the procedures described in section 313(b).

(E) CORRECTIVE ACTION FOR BOARDS.--If a workforce investment board continues to fail to meet such performance standards for two consecutive program years, the Governor shall notify the Secretary and the workforce investment board of the continued failure, and shall--

(i) replace the members of such board,

(ii) direct the board to replace staff,

(iii) direct the board to replace the chairperson, or

(iv) take such other action as the Governor determines is appropriate.

(F) APPEAL.--(i) A one-stop career center operator that is the subject of a revocation under subparagraph (D) or a workforce investment board that is subject to sanctions under subparagraph (E) may, within thirty days after receiving notice thereof and pursuant to criteria established by the Secretary, appeal to the Governor to rescind such action. The Governor shall issue a decision on the appeal within thirty days of its receipt.

(ii) A one-stop career center operator or workforce investment board that receives an adverse decision under an appeal filed pursuant to clause (i) may, within thirty days, appeal to the Secretary. The Secretary shall issue a decision on the appeal within thirty days of its receipt.

(b) CUSTOMER FEEDBACK.--

(1) METHODS.--Each workforce investment board shall establish methods for obtaining, on a regular basis, information from individuals and employers who have received services through a one-stop career center regarding the effectiveness and quality of such services. Such methods may include the use of surveys, interviews, focus groups, and other techniques.

(2) ANALYSIS AND DISSEMINATION.--Each workforce investment board shall analyze the information obtained pursuant to paragraph (1) on a regular basis and provide a summary of such information accompanied by such analysis to the one-stop career center for use in improving the quality of services provided under this title.

SEC. 318. STATE HUMAN RESOURCE INVESTMENT COUNCIL.

(a) IN GENERAL.--Each State shall establish a State human resource investment council that meets the requirements of title VII of the Job Training Partnership Act. In addition to carrying out the functions required under paragraphs (1)-(3) of section 701 of such Act, the Council shall--

(1) identify the human investment needs in the State and recommend to the Governor goals for meeting such needs;

(2) recommend to the Governor goals for the development and coordination of the human resource system in the State;

(3) prepare and recommend to the Governor a strategic plan to accomplish the goals developed pursuant to paragraphs (2) and (3); and

(4) monitor the implementation of and evaluate the effectiveness of the strategic plan prepared pursuant to paragraph (3).

(b) ONE-STOP FUNCTION.--In addition to the functions described in subsection (a), the council shall advise the Governor with respect to all aspects of the development and implementation of the one-stop career center system authorized under this title, including--

(1) assessing the needs of the State with regard to--

(A) current and projected demand for workers by occupation;

(B) skill levels of the workforce and the needs of business for a skilled workforce;

(C) economic development needs of the State;

(D) the type and availability of workforce preparation and development programs in the State;

(2) providing advice to the Governor on the designation of one-stop service areas within the State;

(3) developing measures of effectiveness for the workforce investment boards;

(4) facilitating the provision through appropriate State agencies of grants and technical assistance to workforce investment boards;

(5) developing a mechanism for waiving State rules and provisions of law with respect to workforce investment programs; and

(6) developing a strategy to collect and utilize information on the effectiveness of workforce investment programs, and that of individual service providers, and to share such information with customers of such programs.

PART B -- GRANTS AND WAIVERS TO PROMOTE THE DEVELOPMENT AND IMPLEMENTATION OF ONE-STOP CAREER CENTER SYSTEM

SEC. 331. STATE PLANNING AND DEVELOPMENT GRANTS.

(a) PROGRAM AUTHORIZED.--The Secretary is authorized to establish a program of competitive grants to States to assist in the planning and development of a comprehensive Statewide network of one-stop career centers.

(b) APPLICATION.--(1) IN GENERAL.--Any State desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(2) CONTENTS OF APPLICATION.--The application for a grant submitted pursuant to paragraph (1) shall at a minimum include:

(A) a timetable and estimate of the amount of funds needed to complete the planning and development

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necessary to implement a Statewide system of one-stop career centers, which includes the components described in part A; and

(B) a description of the manner in which the Governor, local elected officials, community and business leaders, representatives of employees, representatives of voluntary organizations, representatives of the programs described in section 315, service providers and other interested organizations and individuals will work together in the planning and development of a one-stop career center system.

(c) USE OF FUNDS.--Funds awarded under this section may be used to carry out the following activities:

(1) identifying and establishing an appropriate State structure to administer the one-stop career center network within the State;

(2) identifying and establishing broad-based partnerships among employers, labor, education, State and local government, and community-based organizations to participate in the design, development, and administration of a one-stop career center system;

(3) developing a plan to establish a State Human Resource Investment Council and local workforce investment boards;

(4) developing the process for chartering one-stop career centers;

(5) supporting local one-stop career center planning and development activities to provide guidance in the development of a one-stop career center system;

(6) initiating pilot programs for testing key components of State program design, such as designing and testing common intake forms for participating programs;

(7) analyzing State and local labor markets and the operation of the current labor exchange and labor market intermediaries, to inform the design of the new system;

(8) analyzing current statutory and regulatory impediments to the establishment of a one-stop career center system, and preparing requests to waive statutory or regulatory requirements;

(9) preparing the plan required for submission of an application for an Implementation Grant under section 332; and

(10) other appropriate activities.

SEC. 332. STATE IMPLEMENTATION GRANTS.

(a) PROGRAM AUTHORIZED.--The Secretary is authorized to establish a program of competitive grants to States to assist in the implementation of a comprehensive Statewide system of one-stop career centers.

(b) APPLICATION.--

(1) IN GENERAL.--Any State desiring a grant under this section shall, with the agreement of the local elected officials from the one-stop service areas identified in paragraph (3)(C) that will immediately begin implementation of the one-stop career center system, submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(2) CONTENTS OF APPLICATION.--The application for a grant submitted pursuant to paragraph (1) shall, at a minimum, include:

(A) a plan for a comprehensive, Statewide one-stop career center system that includes the components described in part A;

(B) a request in accordance with section 333, if any, for one or more waivers of statutory or regulatory requirements relating to the programs described in section 333(c);

(C) such other information as the Secretary may require.

(3) CONTENTS OF STATE PLAN.--A State plan shall--

(A) designate a fiscal agent to receive and be accountable for implementation grant funds awarded under this section and describe how the State intends to manage the funds awarded under this section at the State and local levels;

(B) identify the one-stop service areas that have been designated within the State pursuant to section 302(a);

(C) identify the one-stop service areas in the State that will immediately begin implementation of the one-stop career center system, and the schedule for implementation for the remaining areas of the State;

(D) identify the workforce development programs that will participate in the one-stop career centers, consistent with section 315;

(E) describe the method by which one-stop career centers will be selected, consistent with section 313;

(F) describe the performance standards that the State intends to meet;

(G) describe the procedure by which the Governor, local elected officials, officials administering participating programs, and other appropriate officials, will collaborate in the implementation of the statewide one-stop career center system;

(H) describe the manner in which the State has obtained and will continue to obtain the active and continued involvement, in the statewide one-stop career center system, of employers (including small business) and other interested parties such as secondary schools and post-secondary educational institutions (or related agencies), business associations, employees, labor organizations or associations of such organizations, community-based organizations, economic development organizations, rehabilitation agencies and organizations, registered apprenticeship agencies, vocational education agencies, State or regional cooperative education associations, human service agencies, and education, employment and training service providers;

(I) describe the manner in which the State will ensure equitable opportunities for jobseekers, students, and employers in the State to receive services from one-stop career centers;

(J) if the State has already undertaken a one-stop service initiative, describe how such initiative will be integrated into the Statewide one-stop career center system under this title;

(K) describe the administrative and management systems that will be used in the State; and

(L) describe the resources that the State intends to employ in maintaining the one-stop career center system when funds under this title are no longer available.

(c) FACTORS TO BE AWARDED SPECIAL CONSIDERATION.--An applicant shall be awarded special consideration in the evaluation of a grant application under this section with respect to the following factors:

(1) the extent to which the one-stop service areas in the State are based on labor market areas,

(2) the number of Federal programs that will participate in the one-stop career centers,

(3) the extent to which the Job Opportunities and Basic Skills program (commonly referred to as JOBS) authorized under title IV-F of the Social Security Act and programs authorized under the Carl Perkins Vocational and Applied Technology Education Act will participate in the one-stop career centers;

(4) the extent to which a State has already implemented the components of the one-stop career center system described in part A,

(5) the proportion of population of the State that is covered by the one-stop service areas that have agreed to immediately implement the one-stop career center system, and

(6) the extent to which a State demonstrates a commitment to ensuring that the one-stop career center operations in the State will enhance access to the services described in section 314(a) through supplementary methods such as kiosks based in shopping centers, libraries, community colleges and other community organizations, and through personal telephones or computer lines.

(d) REVIEW OF APPLICATIONS.--The Secretary shall determine whether to approve the State's plan, and, if such determination is affirmative, further determine whether to take one or a combination of the following actions--

(1) award an implementation grant;

(2) approve the State's request, if any, for a waiver in accordance with the procedures in section 333 of this Act; and

(3) inform the State of the opportunity to apply for further development funds, except that further development funds may not be awarded to a State that receives an implementation grant.

(e) LIMITATION.--No funds provided pursuant to a grant under this section may be expended to construct new buildings.

(f) DURATION OF GRANTS.--Grants awarded under this section shall be for a one year period and shall be renewable for each of the two succeeding fiscal years if the Secretary determines that the State is making satisfactory progress in the implementation of the Statewide one-stop career center plan.

SEC. 333. WAIVER OF FEDERAL STATUTORY AND REGULATORY REQUIREMENTS.

(a) STATE REQUEST FOR WAIVER.--A State may, at any point during the development or implementation of a one-stop career center system, request a waiver of one or more statutory or regulatory provisions from the Secretary in order to carry out the purposes of this title.

(b) WAIVER CRITERIA.--(1) Except as provided in subsection (d), the Secretary may waive any requirement of any statute listed in subsection (c)(1) or regulations issued under such statute, or, with the concurrence of the Director of the Office of Management and Budget, any circular listed in subsection (c)(2) or regulations issued under such circular, for any State that requests such a waiver--

(A) if such State submits a plan for a comprehensive, Statewide one-stop career center system that--

(i) either--

(I) includes the components described in part A; or

(II) while not including all of the components described in part A, demonstrates that such one-stop system will substantially achieve the objectives of this title; and

(ii) includes such other information as the Secretary may reasonably require, such as the information required under a State plan pursuant to section 332(b)(3);

(B) if, and only to the extent that, the Secretary determines that such requirement impedes the ability of the State to carry out the purposes of this title;

(C) if the State waives, or agrees to waive, similar requirements of State law; and

(D) if the State--

(i) has provided a notice and an opportunity for the State council or State Human Resource Investment Council and other interested entities and individuals to comment on the State's proposal to seek a waiver; and

(ii) has submitted the comments required pursuant to clause (i) to the Secretary.

(2) The Secretary shall act promptly on any request submitted pursuant to paragraph (1).

(3) Each waiver approved pursuant to this subsection shall be for a period not to exceed four years, except that the Secretary may extend such period if the Secretary determines that the waiver has been effective in enabling the State to carry out the purposes of this title.

(c) INCLUDED PROGRAMS.--

(1) STATUTES.--The statutes subject to the waiver authority of this section are as follows--

(A) title I of this Act;

(B) the Job Training Partnership Act;

(C) the Wagner-Peyser Act;

(D) title V of the Older Americans Act;

(E) title III of the Social Security Act; and

(F) chapter 41 of title 38, United States Code.

(2) CIRCULARS AND RELATED REGULATIONS.--The following circulars promulgated by the Office of Management and Budget

subject to the waiver authority of this section are as follows--

(A) A-87, relating to cost principles for State and local governments;

(B) A-102, relating to grants and cooperative agreements with State and local governments;

(C) A-122, relating to non-profit organizations;

(D) 29 CFR 97, uniform administrative regulations for grants and cooperative agreements to State and local governments.

(d) **WAIVERS NOT AUTHORIZED.**--The Secretary of Labor may not waive any statutory or regulatory requirement of the programs listed in subsection (b) relating to--

(1) the basic purposes or goals of the affected programs;

(2) maintenance of effort;

(3) the formula allocation of funds under the affected programs;

(4) the eligibility of an individual for participation in the affected programs;

(5) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection;

(6) prohibitions or restrictions relating to the construction of buildings or facilities.

(e) TERMINATION OF WAIVERS.--The Secretary shall periodically review the performance of any State for which the Secretary has granted a waiver and shall terminate the waiver under this section if the Secretary determines that the performance of the State affected by the waiver has been inadequate to justify a continuation of the waiver, or the State fails to waive similar requirements of State law as required or agreed to in accord with subsection (b)(1)(C).

(f) PLAN FOR GENERAL WAIVER OF CIRCULAR PROVISIONS.--

(1) DEVELOPMENT OF PLAN.--If the Secretary determines there is sufficient information available, based on applications received pursuant to this section or other information, to identify provisions of the circulars or related regulations listed in subsection (c)(2) that would consistently impede the implementation of a one-stop career center system, the Secretary shall submit a plan to the Director of the Office of Management and Budget to authorize the Secretary to grant a general waiver of such provisions for areas implementing one-stop career center systems.

(2) APPROVAL OF PLAN.--The Director of the Office of Management and Budget may approve the plan submitted pursuant to paragraph (1) and authorize the Secretary to grant general waivers of the provisions of the circulars and related regulations in accordance with such plan if the Director determines such plan would not jeopardize the

integrity of Federal funds and would be consistent with the objectives of this title.

SEC. 334. POOLING OF ADMINISTRATIVE RESOURCES.

(a) SUBMISSION OF PLAN.--

(1) IN GENERAL.--At any point in the implementation of a one-stop career center system, a State may, on behalf of one or more one-stop service areas in the State, submit a plan to the Secretary for the pooling of administrative funds available to such area under two or more of the programs described in section 315(a).

(2) COMPONENTS OF POOLING.--Under a plan submitted pursuant to paragraph (1), each participating program described in section 315(a) may propose to transfer administrative funds to the one-stop career center system and to allocate the amount transferred to the costs of administration under such program at the time of such transfer. Pursuant to such plan, further allocation of the expenditure of such funds to the participating program shall not be required subsequent to the transfer of the funds to the one-stop career center system. Administrative funds that are transferred under such plan shall only be expended for the costs of administering allowable activities under the one-stop career center system.

(b) APPROVAL OF PLAN.--Notwithstanding section 1301 of title 31, United States Code, or any other provision of law, the Secretary may approve a plan for the pooling of administrative funds submitted pursuant to subsection (a) if the Secretary determines such plan would not jeopardize the administration of the participating programs transferring such funds and would facilitate the implementation of the one-stop career center system. After approval of such plan, the Secretary shall regularly review the performance of the one-stop service areas operating under such plans and shall rescind such approval if the Secretary determines that the performance of the one-stop service area has been inadequate to justify continuation of the plan or there has been a significant adverse effect on the participating programs.

(c) SESA REAL PROPERTY.--

(1) IN GENERAL.--Upon the approval of the Governor, real property in which, as of July 1, 1995, equity has resulted from funds provided under title III of the Social Security Act, section 903(c) of the Social Security Act (commonly referred to as the Reed Act), or the Wagner-Peyser Act, may be used for the purposes of a one-stop career center.

(2) LIMITATION.--Unless otherwise provided in a plan approved pursuant to subsection (b), subsequent to the commencement of the use of the property described in paragraph (1) for the purposes of a one-stop career center, funds provided under the provisions of law described in paragraph (1) may only be used to acquire further equity in such property, or to pay operating and maintenance expenses

relating to such property, in proportion to the extent of the use of such property attributable to the activities authorized under such provisions of law.

PART C -- ADDITIONAL ACTIVITIES IN SUPPORT OF ONE-STOP CAREER CENTER SYSTEMS

SEC. 351. CUSTOMER SERVICE COMPACT.

The Secretary shall establish a process with each State implementing a one-stop career center system under this title, which shall include an annual meeting, to promote the development of a customer service compact among the parties administering such system. Such compact shall include an informal agreement between the Secretary, Governor, each workforce investment board, and each one-stop career center relating to--

(1) the shared goals and values that will govern the administration of the system;

(2) the respective roles and responsibilities of each party in enhancing the provision of services to participants, including ensuring that such services are tailored to the particular needs of participants in each local area;

(3) methods for ensuring that the satisfaction of participants with the services received is a primary consideration in the administration of the system; and

(4) such other matters as the parties determine are appropriate.

SEC. 352. ADDITIONAL STATE RESPONSIBILITIES.

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(a) IN GENERAL.--Each State implementing a one-stop career center system under this title shall be responsible for developing and operating administrative and management systems that promote the effective operation of the one-stop career center system.

(b) MONITORING.--Each State implementing a one-stop career center system under this title shall monitor the compliance of workforce investment boards within the State with the requirements of this title.

(c) TECHNICAL ASSISTANCE.--Each State implementing a one-stop career center system under this title shall provide such technical assistance as deemed necessary to assist the workforce investment boards to carry out their responsibilities under this title.

SEC. 353. ADDITIONAL FEDERAL RESPONSIBILITIES.

(a) OVERSIGHT.--The Secretary is authorized to monitor all recipients of financial assistance under this title to determine whether they are complying with the provisions of this title.

(b) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.--The Secretary shall provide staff training and technical assistance to States, workforce investment boards, one-stop career centers, communities, business and labor organizations, service providers, industry consortia, and other entities, to enhance their capacity to develop and implement effective one-stop career center systems. Such activities shall be integrated with the activities of the Capacity Building and Information Dissemination Network established under section 453 of the Job Training Partnership Act.

(c) **NATIONAL LOGO**.--The Secretary shall develop a national logo and name for the purposes of identifying all one-stop career centers as part of a nationwide workforce security system. The purpose of this national identification shall be to enable individuals to more readily identify and access one-stop career centers in any State in any location.

(d) EVALUATION.--

(1) IN GENERAL.--The Secretary shall provide for the continuing evaluation of programs conducted under this title, including the cost-effectiveness of programs in achieving the purposes of this title.

(2) TECHNIQUES.--

(A) METHODS.--Evaluations conducted under paragraph (1) shall utilize recognized statistical methods and techniques of the behavioral and social sciences, including methodologies that control for self-selection, where feasible.

(B) ANALYSIS.--Such evaluations may include cost benefit analyses of programs, and analyses of the impact of the programs on participants and the community, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by the various programs.

PART D--EFFECTIVE DATE

SEC. 371. EFFECTIVE DATE.

(a) IN GENERAL.--Except as provided in subsection (b), the provisions of this title shall take effect on July 1, 1995.

(b) PERFORMANCE STANDARDS.--The performance standards established pursuant to section 317(a) shall take effect on July 1, 1996.

TITLE IV--NATIONAL LABOR MARKET INFORMATION SYSTEM

SEC. 401. PURPOSE.

The purpose of this title is to provide for the development of a national labor market information system that will provide locally-based, accurate, up-to-date, easily accessible, user-friendly labor market information, including--

(1) comprehensive information on job openings, labor supply, occupational trends, current and projected wage rates by occupation, skill requirements, and the location of and performance of programs designed to provide requisite skills; and

(2) labor market data necessary to assist public officials, economic development planners, education planners, and public and private training entities in the effective allocation of resources.

SEC. 402. NATIONAL STRATEGY.

(a) IN GENERAL.--The Secretary shall develop, in coordination with other federal, state and local entities, a strategy to establish a nationwide system of local labor market information that accomplishes the purposes described in section 401 and carries out the activities described in sections 403 and 404. In addition, such strategy shall be designed to fulfill the labor market information requirements of the Job Training Partnership Act, title I of this Act, the Wagner-Peyser Act, the School-to-Work Opportunities Act, the Carl Perkins Vocational and Applied Technology Act, and other appropriate Federal programs.

(b) IMPLEMENTATION.--In implementing the strategy described in subsection (a), the Secretary is authorized to enter into contracts and intergovernmental cooperative agreements, award grants, and foster the creation of public-private partnerships, using funds authorized under this title and funds otherwise available for such purposes. In addition, the Secretary may conduct research and demonstration projects to assist in such implementation.

SEC. 403. COMPONENTS OF SYSTEM.

(a) IN GENERAL.--The Secretary, in cooperation with federal, state and local entities, and public-private partnerships, shall develop a national labor market information system that makes available the following information--

(1) information from both public and private sources on the local economy, including current employment opportunities and trends by industry and occupation;

(2) automated listings of job openings and job candidates in the local, state, and national labor market;

(3) growth projections by industry and growth and replacement need projections by occupation and occupational cluster for national, state and local labor markets;

(4) current supply of labor available with specific occupational skills and experience including current workers, job seekers and training completers;

(5) automated screening systems to permit easy determination of candidate eligibility for funding and other assistance in job training, job search, income support, supportive services and other reemployment services;

(6) consumer reports on local education and training providers including student satisfaction with programs, employer satisfaction with graduates, placement rates, wages at placement, and other elements of program quality;

(7) results of customer satisfaction measures for the career centers and one-stop career centers and other providers of reemployment services;

(8) national, state and substate profiles of industries, including skill requirements, general wage and benefit information, and typical distributions of occupations within the industry;

(9) profiles of industries in a local labor market including nature of the work performed, skill and experience requirements, specific occupations, wage, hour and benefit information, pattern of hiring, and

(10) automated occupational and career information and exploration systems, which incorporate local labor market information, employer or industry profiles, listings of education, training and other reemployment service providers including program quality and customer satisfaction data, and available automated listings of current openings.

(b) TECHNICAL STANDARDS.--The Secretary shall promulgate standards necessary to promote efficient exchange of information between the local, State and national levels, including such standards as may be required to ensure that data are comparable. Such standards shall be designed to ensure that there is universal access to local, state and national data. In issuing such technical standards, the Secretary shall meet the requirements of chapter 35 of title 44, United States Code, and insure coordination with other appropriate Federal standards established by the Bureau of Labor Statistics.

(c) CONSUMER REPORTS.--The Secretary, in consultation with the Secretary of Education and other appropriate Federal agencies, and State and local governments, shall set standards for the required reports and create a mechanism for collection and dissemination of the consumer reports described in subsection (a)(6).

(d) EVALUATION.--The Secretary shall provide for the evaluation of the procedures, products and services under this title, including their cost-effectiveness and the level of customer satisfaction. Such evaluations may include analyses of the precision of estimates produced or collected under this title; examination of the uses of the data by job seekers, employers, educators, career counselors, public and private training providers, economic development planners, and public agencies and institutions; the appropriateness of such uses; and the relative costs and benefits of the data.

SEC. 404. COORDINATION.

To ensure the appropriate coordination and integration of labor market information services nationwide, the Secretary shall:

(1) coordinate the activities of Federal agencies responsible for the collection and dissemination of labor market information at the national, state and local level; and

(2) ensure the appropriate dissemination of results from research studies and demonstration projects, feedback from surveys of customer satisfaction, education and training provider performance data, and other relevant information that promotes improvement in the quality of labor market information.

SEC. 405. EFFECTIVE DATE.

The provisions of this title shall take effect on July 1, 1995.

TITLE V--REINVENTION LABS FOR JOB TRAINING FOR THE ECONOMICALLY DISADVANTAGED

SEC. 501. ESTABLISHMENT OF LABS.

Title II of the Job Training Partnership Act is amended by adding at the end thereof the following new part:

"PART D--REINVENTION LABS

"SEC. 281. PURPOSE.

The purpose of this part is to--

"(1) encourage innovative program designs to enhance the provision of services to and improve labor market outcomes for economically disadvantaged youth and adults,

"(2) develop, through the initiative and participation of service delivery areas and States, knowledge relating to effective approaches to providing employment and training to the economically disadvantaged that may be used to benefit the programs conducted under this title; and

"(3) provide service delivery areas with increased flexibility in the operation of job training programs in exchange for higher levels of accountability for results.

"SEC. 282. APPLICATION FOR WAIVER OF FEDERAL REQUIREMENTS.

"(a) IN GENERAL.--Any service delivery area or consortia of service delivery areas desiring to obtain a waiver of Federal statutory or regulatory requirements relating to the programs conducted under parts A, B, or C of this title shall submit, jointly with the Governor, an application for such waiver at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.--The application for a waiver submitted pursuant to subsection (b) shall include:

"(1) a plan for conducting a program or programs authorized under this title incorporating innovative administrative, service delivery, and other program design components,

"(2) the measurable goals and outcomes to be achieved by the program;

"(3) a description of the statutory or regulatory requirements under titles I and II of this Act that would be waived and how such requirements would impede the implementation of the plan described in paragraph (1);

"(4) assurances that the service delivery area and the State will participate in a rigorous evaluation to determine whether the goals and outcomes described in paragraph (2) have been achieved; and

"(5) such other components and information as the Secretary determines are appropriate.

"SEC. 283. **WAIVERS AUTHORIZED.**

"(a) **IN GENERAL.**--Except as provided in subsection (b), the Secretary may, pursuant to an application submitted in accordance with section 282, waive statutory or regulatory requirements relating to title I and parts A, B, and C of this title if--

"(1) the Secretary determines that such requirements would impede the ability of the service delivery area to carry out the plan described in section 282(b)(1) and achieving the outcomes described in the plan,

"(2) the service delivery area and the State--

"(A) have provided a notice and opportunity for interested entities and individuals in the State to comment on the application; and

"(B) have submitted to the Secretary the comments received pursuant to subparagraph (A); and

"(3) the Secretary approves the plan described in the application.

"(b) WAIVERS NOT AUTHORIZED.--The Secretary may not waive any statutory or regulatory requirement relating to title I or parts A, B, or C of this title regarding--

"(1) the basic purposes or goals of the affected programs;

"(2) the formula allocation of funds;

"(3) the eligibility for services as described in sections 203, 254(b) and 263 (except for subsection (f));

"(4) public health or safety, labor standards, civil rights, occupational safety or health, or environmental protection; or

"(5) prohibitions or restrictions relating to construction of buildings or facilities.

"(c) ADDITIONAL LIMITATIONS.--

"(1) NUMBER OF AREAS PARTICIPATING.--The Secretary may approve not more than 75 applications nationwide to conduct the program described under this part.

"(2) DURATION OF WAIVERS.--Each waiver provided pursuant to this part shall be for a period of not more than

2 years, except that the Secretary may extend such period if the Secretary determines that the waiver has been effective in enabling the service delivery area to carry out the purposes of this Act.

"(3) TERMINATION OF WAIVERS.--The Secretary shall periodically review the performance of any service delivery area for which the Secretary has granted a waiver and shall terminate the waiver under this section if the Secretary determines that the performance of the service delivery area affected by the waiver has been inadequate to justify a continuation of the waiver.

"(4) SUNSET.--No waivers may be approved or remain in effect under this part after the date that is 4 years after the date of enactment of the Reemployment Act of 1994.

"SEC. 284. TECHNICAL ASSISTANCE, EVALUATION AND REPORT.

"(a) TECHNICAL ASSISTANCE.--The Secretary may provide appropriate technical assistance to service delivery areas, States, and service providers in the development and implementation of programs under this part.

"(b) EVALUATION.--

"(1) IN GENERAL.--The Secretary shall provide for the continuing evaluation of programs conducted under this part, including the cost-effectiveness of programs in achieving the purpose of this part.

"(2) TECHNIQUES.--

"(A) METHODS.--Evaluations conducted under paragraph (1) shall utilize recognized statistical methods and techniques of the behavioral and social sciences, including methodologies that control for self-selection, where indicated.

"(B) ANALYSIS.--Such evaluations may include cost benefit analyses of programs, and analyses of the impact of the programs on participants and the community, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by the various programs.

"(c) REPORT.--Not later than 5 years after the date of enactment of the Reemployment Act of 1994, the Secretary shall submit a report to the Congress relating to the evaluation conducted pursuant to subsection (a) and containing such recommendations as the Secretary determines are appropriate.".

SEC. 502. MODIFICATION OF TUITION DEFINITION.

Subparagraph (B) of section 141(d)(3) of the Job Training Partnership Act is amended to read as follows:

"(B) Tuition charges for training or education provided by an educational institution, including an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965), a proprietary institution of higher education (as defined in section 481(b) of such Act), and a postsecondary vocational institution (as defined in section 481(c) of such Act) that are not more than the charges for such training or education made available to the general public, do not require a breakdown of cost components.".

SEC. 503. EFFECTIVE DATE AND SUNSET.

(a) REINVENTION LAB.--The provisions of section 501, and the amendments made by such section, shall take effect on the date of enactment of this Act and shall terminate on the date that is 5 years after the date of enactment of this Act.

(b) TUITION DEFINITION.--The provisions of section 502 and the amendments made by such section, shall take effect on the date of enactment of this Act.

REEMPLOYMENT ACT OF 1994

SECTION-BY-SECTION ANALYSIS

The Reemployment Act of 1994 is the first step in building a coherent, integrated reemployment system for the Nation. The current unemployment system, designed in a different time for a fundamentally different economy, is premised on the expectation that laid-off workers would return to their former jobs following periodic cyclical downturns in the economy. Today, millions of workers are finding their jobs imperiled by global economic integration and technological change. Many of them do not have the skills necessary for reemployment in good jobs to replace the ones they have lost.

Workers looking for help in making workforce transitions currently face a duplicative tangle of programs, services and rules. Students, workers, and the unemployed have a difficult time getting information on the benefits and services that are available, where they can get high-quality training, and what they need to know to find and hold good jobs and build sustainable careers.

The underlying problem is the lack of a coherent employment and training system. The Reemployment Act of 1994 will address this need by:

- establishing a comprehensive system for reemployment services, training, and income support for permanently laid-off workers;
- facilitating the establishment of one-stop career centers that will serve as a common point of access to employment, education and training information and services;
- developing an effective national labor market information system; and
- providing additional flexibility for States in payment of unemployment insurance benefits.

Title I of the Reemployment Act of 1994 would establish a comprehensive program for reemployment of dislocated workers -- those who are permanently laid off or are long-term unemployed. This title would consolidate and replace six current programs that serve various categories of dislocated workers. All workers currently eligible under existing programs would be covered. The program would be administered through a State and substate delivery system. State Dislocated Worker Units would carry out rapid response activities at the site of dislocations, substate grantees would receive and administer funds, and Career Centers provide a comprehensive array of reemployment services to dislocated workers. Career Centers would make available to all eligible dislocated workers a set of basic services, including job search assistance. Intensive reemployment services would be made available to dislocated workers who are not able to find jobs through the basic services. Each worker receiving intensive services would have a reemployment plan developed jointly by the individual and a career counselor which identifies an employment goal and a combination of services designed to achieve the goal.

Education and training services will be available to workers who need new or higher-level skills to obtain employment. To help them make decisions, workers will have information about the quality of services and the local economy, as well as an understanding of their career objectives. Income support beyond regular UI payments will be available for most dislocated workers to enable them to participate in long-term training. The duration of income support payments will be based on the length of training needed, and on the job tenure the individual had in the last job.

Title I also establishes performance standards and quality assurance systems. A customer service compact is to be developed among the parties administering title I programs. The Secretary is also to establish performance standards for substate grantees and Career Centers, and substate grantees are to establish methods for obtaining feedback from customers -- individuals and employers -- on the effectiveness and quality of services they have received. Eligibility requirements are established for providers of education and training services which include the provision of performance-based information to preclude ineffective service providers from receiving Federal funds and to assist customers in choosing effective services.

Title II of the Reemployment Act of 1994 extends the focus of the unemployment insurance program beyond its original purpose of ensuring a source of income to workers who were temporarily out of work and creates new and active options which workers and employers may avail themselves to help ease the often-rapid and unsettling pace of labor market transition and change. First and foremost, this proposal will provide income support beyond unemployment insurance benefits to permanently laid-off workers who need and decide to retrain for new jobs and occupations which will offer them a more secure future. Second, this proposal offers new flexibility in the basic unemployment insurance program so that if States so chose, a short-time compensation program would be available for to compensate employees who are working reduced hours for an employer who is attempting to avert a layoff or closure. In addition, the proposal would offer a new unemployment insurance option to laid-off workers in the form of reemployment bonuses for those who quickly find new jobs.

Title III of the Reemployment Act establishes a program to encourage States to develop and implement Statewide networks of one-stop career centers, which will provide a common point of access to employment, education and training information and services to students, workers and employers. The centers would make services available under employment and training programs administered by the Department of Labor and other human resource programs that choose to participate.

Key components of the voluntary one-stop career centers system are as follows: The chief local elected official in each substate area designated by the Governor is to establish a workforce investment board, which is to plan, set policy and oversee the one-stop career center system in that area (but not administer career centers). One-stop career centers may be established through a consortium of the Employment Service and other employment and training programs, or through a competitive process, called the multiple independent operator option. In either case, career centers are issued a charter by the Board that identifies the number and location of the centers.

One-stop career centers must make available to the public free of charge a set of basic services. Intensive services are made available pursuant to an operating agreement between participating programs. The centers also provide specialized services to employers. Programs that are to participate in the operation of the centers are the title I comprehensive dislocated workers program, the Employment Service, the Veterans' Employment Service, JTPA title II programs, unemployment insurance programs, and the Senior Community Service Employment Program. Other human resource programs, such as JOBS, may also participate. Quality assurance is built into the one-stop career center system through the establishment of performance standards and customer feedback mechanisms.

Other components of the one-stop career center system are the establishment of a State Human Resource Investment Council authorized under JTPA, and a customer service compact, involving all parties that administer the one-stop system. States that wish to establish one-stop career center systems may apply to the Secretary for competitive grants to assist in the planning and development of the one-stop system, and for competitive grants to assist in the implementation of the one-stop system. States may also apply for waivers of Federal statutory and regulatory requirements to implement one-stop systems.

Title IV establishes a National Labor Market Information System that builds upon and strengthens existing capabilities at the Federal, State and local levels.

Title V amends title II of the Job Training Partnership Act to add a new part D, "Reinvention Labs". This new part allows waiver of Federal statutory or regulatory provisions to encourage innovative program designs for serving economically disadvantaged youth and adults, and to provide service delivery areas with increased flexibility in operating job training programs in exchange for higher levels of accountability for results.

Together, these provisions will begin to build a reemployment system that is coherent, comprehensive, customer-driven, accountable, and based on evidence of what works in employment and training.

Section 1 of the bill provides that this Act is entitled the "Reemployment Act of 1994."

Section 2 contains the Table of Contents.

Section 3 contains the statement of Findings and Purpose of the Act. The findings are that: in recent years the nature of job uncertainty and job loss has changed; a substantial number of Americans lose jobs because of structural changes in the economy rather than cyclical downturns; job uncertainty and dislocation carry substantial emotional and financial costs to the nation; Americans seeking first jobs, new jobs, or better jobs confront an economy in continuous transition and must have access to new skills and better job and career information; our current worker adjustment policies were designed for an earlier economy and often do not equip Americans to prosper in the current and emerging atmosphere of constant change; the primary governmental response to job loss -- the unemployment insurance system -- is not designed to build re-employment security; the current governmental response to dislocation is a patchwork of categorical programs; job search assistance and retraining are not available to all who need it and income support is typically not available to facilitate training; there is a lack of reliable labor market information; and administrative and regulatory obstacles hamper State and local efforts to establish comprehensive reemployment systems.

The purpose of the Act is to: begin the transformation of the unemployment system into a comprehensive, universal, high-quality reemployment system; consolidate current categorical dislocated worker programs into a comprehensive program for all permanently laid-off workers, regardless of the cause of the dislocation; facilitate long-term training for permanently laid-off workers who want and need it; provide customer-centered, high-quality employment and training services that assist dislocated workers in making informed career and training choices; build on innovative State and local efforts, to begin to streamline employment and training programs into a comprehensive, high-quality, nationwide system of one-stop career center networks which provide access to all Americans who want and need new, better and first jobs; and create a National Labor Market Information System that gives high-quality and timely data on the

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local economy, labor market and other occupational information to employers, employees, and training providers.

Section 4 authorizes appropriations for the Act. The authorization for Title I (Comprehensive Program for Worker Reemployment) is for $1.465 billion for fiscal year 1995 and for such sums as may be necessary for succeeding fiscal years. For Title III and Title IV (One-Stop Career Center System and National Labor Market Information System, respectively), the authorization is for $250 million for each of fiscal years 1995 through 1999, and for such sums as may be necessary for fiscal years 2000 through 2003.

Section 5 provides definitions for basic terms used in the Act. The following terms are defined: career center; community-based organizations; economic development agencies; Governor; labor market area; local elected official; nontraditional employment; one-stop career center; private industry council; Secretary; service delivery area; service provider; State; State council; State Human Resource Investment Council; substate area; substate grantee; and unit of general local government.

Title I of the bill establishes the Comprehensive Program for Worker Reemployment.

Section 101 provides for the allotment of funds. Section 101(a) requires that 75 percent of the funds appropriated each fiscal year for this title be allotted to the States. The remaining 25 percent is reserved for the Secretary to carry out the national activities in Part B and for allocations to the Commonwealth of the Northern Mariana Islands and the territories.

Section 101(b) requires that the allotment to the States be based one-third on the relative number of unemployed individuals, one-third on the relative number of unemployed persons in excess of 4.5 percent, and one-third on the relative number of individuals unemployed for more than 26 weeks. This is the same formula that is currently used under title III of the Job Training Partnership Act, except that the long-term unemployed factor under the new program is based on more than 26 weeks of unemployment (to conform to the eligibility section) rather than 15 weeks. Unlike JTPA, this formula contains hold-harmless and stop-gain provisions specifying that no State may receive less than 90 percent or more than 130 percent of the previous year's allotment percentage.

Subsection (b) requires, as does JTPA, that as soon as satisfactory data are available, allotments to the States are to be based 25 percent on the relative number of dislocated workers residing in each state and 25 percent based on each of the three unemployment factors described above.

Section 101(c) allows the Governor to reserve up to 30 percent of the State's allotment to carry out State activities and responsibilities authorized under this title. Of this amount, up to 5 percent may be used for State Grants for Job Retention Projects under section 116, not more than 15 percent may be used for program administration, and not more than 20 percent may be used for the combined costs of program administration and technical assistance.

Section 101(d) requires the Governor to allot the remainder of the State allotment (a minimum of 70% of the State allotment) to substate areas under a formula determined by the Governor, which is to include the factors described above, and additional objective and measurable factors that the Governor determines are appropriate. The Governor's formula may be amended only once for each program year. Substate allocations are also subject to a cost limitation of 15 percent for administration.

Section 101(e) reserves a small amount of the Secretary's reserve fund (0.3 percent)for allocation to the Commonwealth of the Northern Mariana Islands and the territories.

Section 101(f) reserves the remainder of the Secretary's funds for national activities. For each of fiscal years 1995-1999, a minimum of 80 percent is earmarked for National Discretionary Grants under section 131 and Disaster Relief Employment Assistance under section 132; and not more than 20 percent may be expended for evaluation, research, and demonstrations under section 133 and capacity building, staff development and training, and technical assistance under section 134. In program year 2000 and succeeding program years, the distribution of funds among national activies changes to a minimum of 85 percent for National Discretionary Grants and Disaster Relief Employment Assistance, and not more than 15 percent for evaluation, research, demonstrations, capacity building, staff development and training, and technical assistance.

Section 102 requires the Secretary, beginning in program year 1996, to recapture unexpended, formula-funded State allotments upon a determination that the unexpended balance of the State allotment at the end of the prior program year exceeds 20 percent of the prior year's allotment. The recapture also includes the unexpended balance of a State allotment from any other previous program year. Recapture may be accomplished by reducing the State allotment for the subsequent program year by an equal amount. All recaptured funds will be used for national discretionary grants.

Section 103 provides the eligibility requirements for services under the new worker reemployment program.

Section 103(a) establishes that an eligible individual is a person who: (1) has been permanently laid off from full-time, part-time or seasonal (including farmworkers and fishermen) employment within the preceding 12-month period or has received notice that he/she will be permanently laid off, and is either unlikely to obtain employment in the same or similar occupation due to obsolete skills or a lack of job opportunities, or the layoff was due to any permanent closure or any substantial layoff at a plant, facility or enterprise; (2) is employed at a facility where the employer has given public notice that the facility will be closed within one year, and the individual is unlikely to remain employed with the same employer at another location or retire from the labor force; (3) was self-employed (including farmers, fishermen and ranchers) and is unemployed due to local economic conditions or because of a natural disaster; (4) is long-term unemployed; (5) is certified as eligible under the transitional program for certification of trade-impacted workers under part D of title II; or (6) was, pursuant to regulations established by the Secretary, identified and referred to the program by a State unemployment insurance worker profiling system.

Section 103(b) provides that displaced homemakers who were displaced within the preceding 12 months, are unemployed, and meet the other service-related requirements are eligible to receive basic services, and may receive other title I services to the extent the Governor determines such additional services are appropriate.

Section 103(c) defines terms for purposes of this section. "Permanently laid off" is defined as a layoff under which a recall is not expected within 26 weeks. "Long-term unemployed" refers to a period of unemployment defined by the Governor of not less than 27 weeks. "Displaced homemakers" are defined the same as in section 4(29) of the Job Training Partnership Act.

Part A of Title I establishes a State and substate delivery system for the worker reemployment program.

Section 111 specifies that the State is responsible for developing and operating administrative and management systems that ensure proper fiscal control and accountability, consistent with both the requirements of Part E and the accomplishment of the objectives of this title.

Section 112 contains provisions for a State dislocated worker unit and its required functions.

Section 112(a) requires each Governor to designate or establish a State dislocated worker unit to carry out the rapid response, information collection and dissemination, program support, and coordination functions.

Section 112(b) describes each of the unit's functions. First, rapid response activities include: (1) receiving notices provided under the Worker Adjustment and Retraining Notification Act (WARN) and collecting information on other sites where permanent closures and layoffs affect 50 or more workers; (2) establishing contact with representatives of the employer, affected workers and affected unions, and affected substate grantees, within 48 hours of notice or identification of these closures and layoffs; (3) providing assistance on site (i.e., at or near the closure or layoff location) within 5 days (unless representatives of affected workers agree to defer start-up), including information and assistance in accessing programs and services, providing appropriate emergency reemployment services, and providing basic reemployment services in a group setting; (4) promoting the formation of worker-management transition assistance committees by: first, providing immediate assistance in creation of the committee, including financial assistance for start-up costs, providing a list of individuals from which committee chairperson may be selected, and assisting in selection of worker representatives in absence of union; and second, providing technical assistance in developing a strategy for assessing the employment and training needs of each affected worker and obtaining necessary services and assistance, such as advice and information on sources of assistance, and serving as liaison with public and private services and programs; and (5) preparing an action plan, which may include assisting in the provision of reemployment and training services, including group counseling, preliminary assessments, and labor market information, and in planning for the establishment of on-site transition centers described in section 115(c).

With regard to information collection and dissemination activities, the State dislocated worker unit's specific role is: to provide to employers and employees Statewide information on the WARN Act, the Act's requirements, and the eligibility requirements, services and benefits available under this title; to collect information related to economic dislocation--including potential closings and layoffs and impacts of those to which the unit has responded, and on Statewide programs and resources for services to affected workers; to provide the economic dislocation information to Governor to assist in providing an information base for effective program management, review, and evaluation; and to disseminate information Statewide on the State dislocated worker unit's services and activities.

The State dislocated worker unit's program support functions are to provide technical assistance and advice to substate grantees, work with employers and representatives of employees in promoting labor-management cooperation to achieve program objectives, and assist each local community affected by a mass layoff or plant closing in developing and implementing an adjustment plan, including assistance in obtaining State economic development assistance.

The unit's coordination role is to exchange information and coordinate programs with: economic development agencies and section 116 job retention projects to identify potential layoffs, avert plant closings and mass layoffs and accelerate dislocated workers' reemployment; State education, training and social services programs; State labor federations; State-level general purpose business organizations; and all other programs available to assist dislocated workers, including the Employment Service, UI system, one-stop career centers established under Title III of this Act, and student financial aid programs.

Section 112(c) requires the State dislocated worker unit to coordinate its actions with the relevant substate grantees and career centers.

Section 112(d) requires that the worker-management transition assistance committees ordinarily include (but are not limited to): shared and equal participation by workers and their representatives, and management, and participation from community representatives as appropriate; shared employer and State financial participation, using funds from this title for operating expenses; joint selection by worker and management representatives of the committee of a chairperson to guide and oversee committee activities, provide advice and leadership, and prepare a report on committee activities (the chairperson or members of the chairperson's immediate family cannot be employed or under contract with labor or management at the site); and operation under a formal agreement which may be terminated at will by workers or management and for cause by the Governor.

Section 112(e) authorizes the Governor to provide rapid response activities to layoffs of less than 50 workers if the Governor determines that the layoffs have a significant adverse economic impact on a local community.

Where there is an impending permanent closure or substantial layoff and other resources are not expeditiously available, section 112(f) authorizes the State to provide funds for a preliminary assessment of the advisability of a buyout and continued operation of the plant by a company or group, including the workers.

Section 112(g) prohibits the State from transferring the responsibility for the State dislocated worker unit's rapid response function to another entity, but permits agreements, grants, contracts, or other arrangements with a career center or other entity for rapid response assistance services.

Section 112(h) requires Federal oversight of the State administration and the quality of rapid response assistance services, authorizes the Secretary to establish performance standards relating to the State's provision of rapid response services, and requires the Secretary to implement appropriate corrective action if performance is determined to be inadequate.

Section 113 provides for the development and maintenance of State and local labor market information (LMI) systems. Section 113(a) requires the Governor to identify, or develop and maintain a comprehensive LMI system in the State that (1) promotes the collection, use, exchange and dissemination of quality LMI that will enhance the employment opportunities available to permanently laid off workers and other individuals seeking employment; and (2) provides support for needed improvements in LMI systems.

Section 113(b) and (c) link the contents of and standards for LMI in this section to those prescribed in title IV of this Act.

Section 113(d) requires the Governor to ensure, to the extent feasible, that automated technology will be used in data collection and dissemination; the State dislocated worker unit, the substate grantee, and career centers have timely access to quality LMI; administrative records are designed to reduce paperwork; and available administrative data and surveys are shared or consolidated to reduce duplication of record keeping.

Section 113(e) requires the Governor to designate an agent within the State to be responsible for oversight and management of a Statewide comprehensive labor market and occupational information system. This agent is to be responsible for providing training and technical assistance to collect and disseminate information through programs under this title, providing funding for the State share of the cooperative agreements authorized in title IV to implement the national LMI strategy, and funding research, evaluation and demonstration projects to improve the Statewide LMI system.

Section 113(f) provides that the Governor is to coordinate the activities carried out under title I with LMI carried out in the State pursuant to other Federal laws, and with the national LMI program in title IV. The Governor is authorized to use LMI funds under other Federal laws to maintain the State LMI system.

Section 113(g) requires the Governor to identify and utilize cost-effective methods for obtaining the labor market information and data. This may include access to earnings records, State employment security records, AFDC records, education records, and similar records, with appropriate safeguards to protect the confidentiality of the information obtained. The Governor is also to publish and make available labor market and occupational supply and demand information and individualized career information to public agencies, employers, and other users of this information.

Section 114 requires the Governor to coordinate worker reemployment programs with the retraining income support program authorized under title II and the State worker profiling system. Coordination with the profiling system is to include methods for ensuring the prompt referral, in accordance with the Secretary's regulations, of UI claimants profiled as dislocated workers to career centers, and the sharing of information.

Section 115 authorizes State supplementary grants for areas of special need. In areas of a State experiencing substantial increases in the number of eligible dislocated workers due to plant or base closures and mass layoffs, State grants may be awarded to provide to workers the full range of services authorized under section 119. Entities eligible to receive these grants include substate grantees in the affected areas, employers and employer associations, transition assistance committees and other employer-employee groups, representatives of employees, industry consortia, and State agencies. The Governor may, after formal consultation with the area substate grantee, also use grant funds to establish an on-site centers, including on-site transition centers specified below, to provide services. Operations of any on-site center must be coordinated with area career centers. Specific authority is provided for grants for temporary on-site transition centers at plant and base closure or mass layoff sites that meet certain conditions. These include that such centers would: be operated with the approval and participation of employers and workers and their representatives, including worker-management transition assistance committees; include substantial funding from non-public sources; and provide the full range of reemployment services directly or through contracts, such as contracts with outplacement agencies. Center activities would be coordinated with the local career centers and workers could receive services at either the transition or career centers.

Section 116 authorizes State grants for job retention projects. The Governor, after consultation with unions representing affected workers, may award grants to projects providing services to upgrade the skills of employed workers who are at risk of being permanently laid off, and projects assisting the retraining of employed workers to facilitate business conversion or restructuring (e.g., to utilize new manufacturing technology or transform to a high-performance workplace) to avert substantial layoffs or plant closings. A 100 percent match of the grant is required, and is to be provided by a combination of State funds (from funds other than federal funds) and funds provided by the affected employers or businesses. As indicated above, a maximum of 5 percent of the State reserve funds may be used for these projects.

Section 117 establishes the substate administrative structure for the program.

Section 117(a) provides for the designation of substate areas for the delivery of program services. It requires the Governor, after consultation with the State council and local elected officials, to designate substate areas. It also requires that each service delivery area under the Job Training Partnership Act be included in a substate area and prohibits the division of a service delivery area among substate areas. The designation process must also take into consideration the Statewide availability of services, the capability to coordinate service delivery with other job training, human services and economic development programs, and the geographic boundaries of labor market areas in the State. Subject to the above requirements, a service delivery area with a population of 200,000 or more that requests designation, any two or more contiguous service delivery areas with an aggregate population of 200,000 or more that request designation, and any concentrated employment program grantee for a rural area authorized under section 101 of the Job Training Partnership Act must be designated as a substate area, except that a request from the contiguous service delivery areas may be denied if the Governor determines the designation would be inconsistent with the effective delivery of services to workers in State labor market areas or would not otherwise be appropriate to carry out this program. Substate areas established under the EDWAA program, which is one the programs this title replaces, could be designated if they otherwise meet the requirements of this section. The section prohibits the designation of any area with a population under 200,000 as a substate area unless it is a JTPA rural concentrated employment program grantee. The Governor is authorized to award incentive grants to encourage the formation of substate areas based on labor market areas. Substate area designations may not be revised more than once every 4 years.

Section 117(b) provides for the designation of a substate grantee for each substate area for a 4-year period. The designation is based on agreement among the Governor, area local elected official(s), and area private industry council(s). Absent agreement, the Governor selects the substate grantee. Entities eligible for designation as substate grantee include: area PICs; SDA grant recipients or administrative entities; private nonprofit organizations; units of local government, or agencies thereof, in the substate area; local offices of State agencies; other public agencies, such as community colleges and area vocational schools; and consortia of the above.

Section 117(c) establishes the functions of substate grantees. Substate grantees are to receive and administer funds allocated to the substate area, including administration of payments to service providers of education and training services in accordance with section 119(d)(2); administer the process for selection of career center operators established in section 118; oversee and monitor the area program and coordinate the operation of career centers in the substate area; and prepare and publish biennially a plan describing proposed program activities and objectives in the substate area.

When a substate grantee desires to be selected to operate a career center, the process for selecting career center operators in that area must be administered by the PIC(s). If the substate grantee is the PIC, the Governor administers the selection process. Where substate grantees operate career centers, the career center oversight function is to be performed by the Governor.

Section 118 provides for the establishment of career centers. The substate grantee is required to establish one or more career centers in the substate area. The career center is to be the point of access for eligible individuals to the services provided under section 119.

Section 118(c) describes the career center selection process. Any entity or consortium of entities located in the substate area may apply for selection as a career center operator. The entities may include Employment Service offices, SDA grant recipients or administrative entities under JTPA, substate grantees under this title, community colleges and area vocational schools, community-based and other private, nonprofit organizations, and other interested private for-profit and public organizations and entities.

After consultation with the Governor and local elected officials, the substate grantee is required to publish a public notice informing individuals and organizations in the substate area of: the estimated number of career centers to be established in the substate area, information on application procedures, selection criteria for career center operators, and other information the substate grantee considers relevant to the selection of operators and administration of the centers.

The substate grantee, consistent with guidelines issued by the Secretary, is required to use objective criteria and performance measures in assessing the applications. Applicants must demonstrate the ability to operate a career center that would: provide the services described in section 119; use automated systems to facilitate information exchange among career centers; meet the performance standards prescribed pursuant to section 152; meet the fiscal requirements of Part E of this title; objectively and equitably administer the process of referring participants to education and training services; and meet any other requirements the substate grantee determines appropriate. While overall costs may be taken into consideration in the selection process, the level of wages and benefits paid to nonmanagerial employees by an applicant is not to be a factor in the selection process.

Career center operators will be selected by the substate grantee once every 4 years.

Substate grantees are to review at least annually the education and training referral practices of any career center operator that concurrently provides education and training services to program participants. Should the substate grantee find a pattern of inappropriate referrals to education and training services, the substate grantee may require the center operator to cease provision of these services to program participants as a condition for continuing as center operator, or may terminate the agreement to operate a center.

Section 119 describes the services that are to be provided to eligible individuals. The services are grouped into 6 categories: basic reemployment services, intensive reemployment services, education and training services, retraining income support, supportive services, and supplemental wage allowances for older workers.

Section 119(b) requires each career center to make available to eligible individuals the following basic reemployment services: outreach to inform individuals of and encourage use of employment and training services, including efforts to expand awareness of training and placement opportunities for individuals with limited English proficiency and individuals with disabilities; intake and eligibility determination for assistance for this program; orientation to information and services available through the center; assistance in filing an initial UI claim; a general assessment of the individual's skill levels (including appropriate testing) and service needs, which may include basic and occupational skills, prior work experience, employability, interests, aptitudes, and supportive service needs; local, regional and national labor market information, including job vacancy listings and local occupations in demand and related earnings and skill requirements; job search assistance (including resume and interview preparation, and workshops); job referral and placement assistance such as job search training; information on education and job training programs--including eligibility requirements, services provided, the availability and quality of the programs, and student financial assistance available--and referrals as appropriate; assistance in evaluating individual's eligibility for any other DOL-administered employment and training programs; information collected under performance standards and quality assurance requirements; information on programs and providers of dependent care and other supportive services available locally; group counseling, including peer counseling, available jointly with immediate family members, on stress management and financial management; and solicitation and acceptance of job orders of area employers and referral of appropriate applicants.

Section 119(c) describes the intensive reemployment services each career center is to make available to eligible individuals who have received but are not able to find jobs through the basic reemployment services. The intensive services are: comprehensive and specialized assessment of an individual's skill levels and service needs, such as diagnostic testing, and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals; the development of an individual reemployment plan which identifies the employment goal, including appropriate nontraditional employment, achievement objectives and the appropriate combination of services to achieve the goal; individual counseling and career planning, including peer counseling and counseling and planning for nontraditional employment opportunities; assistance in selection of education and training providers and in obtaining income support, including student financial assistance; case management for those receiving education, training and supportive services; job development; out-of-area job search allowances; relocation allowances; and follow-up counseling for those placed in training or employment.

The section further requires that the reemployment plan be both developed and signed jointly by the individual and a career counselor, and that there be a review of the individual's progress in meeting the objectives in the plan. Should the parties disagree regarding the plan's content, appeal of the career counselor's recommendation is available to the individual under the grievance procedure in section 164. The employment goal in the plan must relate to employment in an occupation in demand either locally or in another area to which the individual is willing to relocate.

The out-of-area job search allowance may not exceed 90 percent of the costs of necessary job search expenses, up to a maximum payment specified by the Secretary in regulations. The allowance is payable only if the search is to obtain a job within the United States and the career center determines the individual cannot reasonably be expected to find suitable employment in the individual's local commuting area.

The relocation allowance is payable only for relocation expenses incurred within the United States and only if the career center determines the individual cannot reasonably be expected to find suitable employment in the individual's local commuting area, and the individual has obtained suitable employment with reasonable prospects for long-term duration in the relocation area, or has received a bona fide employment offer and is totally separated from employment at commencement of the relocation. The amount of the relocation allowance may not exceed the total of: 90 percent of reasonable and necessary expenses, specified by the Secretary in regulations, incurred in moving the individual, any family and household effects; and a lump sum equivalent to 3 times the individual's preceding average weekly wage, up to a maximum payment specified by the Secretary in regulations.

Section 119(d) contains provisions for education and training services. Each career center is required to make available a list of eligible providers of basic skills training (including remedial education, literacy training, and English-as-a-second language instruction), classroom and on-the-job occupational skills training; and other skills-based education and training considered appropriate, which may include entrepreneurial training and skills training for high performance work organizations, such as problem solving skills and those related to the use of new technologies. Eligible providers of education and training services are those meeting the requirements of section 154.

When an individual has a jointly executed individual reemployment plan that specifies that education and training services are necessary to the person's reemployment, the individual, in consultation with a career counselor, is to select a service provider from the list of eligible providers. The career center then refers the person to the provider and arranges for payment to be made to the provider by the substate grantee.

Education and training services may also be provided under a contract between the substate grantee and an eligible service provider if the services are customized to meet the needs of a specific eligible group in the substate area or are for on-the-job training.

Education and training costs payable under this title are capped at $4,750 per individual over any 12-month period, and may not exceed 104 weeks in a 5-year period. Funds provided under the program for education and training may be supplemented with funds from other sources such as Pell grants, student loans or work assistance under the Higher Education Act and other student financial aid. It is intended that an eligible individual receive funds for training under this title before applying for Federal student financial assistance, and the amounts provided by this program will be calculated in determining an individual's eligibility for such assistance.

For purposes of the income support program under title II, the career centers are considered an agency certified by the

Secretary to develop a reemployment plan. Eligible individuals participating in education and training services under this title are also deemed to be in approved training for purposes of the unemployment compensation program.

Section 119(e) establishes a retraining income support program for certain individuals eligible for the comprehensive reemployment program. For program years 1995 through 1999, workers who qualify for income support under title II (those with three or more years of tenure with the layoff employer and those certified as trade-impacted) would be referred to that program. Workers with at least one but less than three years of tenure would receive income support under this title. Beginning in program year 2000, all workers with one or more years of tenure will qualify for retraining income support under title II and will be referred to that program for such support. With respect to the transitional income support program under this title, permanently laid-off individuals will be provided up to 26 weeks of income support at the UI benefit level under this title to enable them to participate in education and training if the individual: had at least one and less than three years of tenure with the layoff employer; was entitled or would have been entitled to unemployment compensation under State or Federal law, has exhausted all rights to UI to which the person was or would have been entitled, and does not have an unexpired waiting period; was enrolled in education or training by the 16th week of the permanent layoff or 14th week after being informed the layoff will exceed 6 months; and is participating and making satisfactory progress in education and training under this title (including any week which includes a break from training not exceeding 28 days which is provided under the program). The 16-week and 14-week enrollment requirements may be extended up to 30 days if the Secretary determines there are extenuating circumstances such as cancellation of a course or a later first available enrollment date that justify the extension.

This subsection includes several special rules that provide that continuous employment would include periodic interruptions resulting from sickness, maternity leave, military service, representation of a labor organization, and temporary layoffs up to a specified number of weeks. In addition, employment with a single employer is to include all employment covered by multiemployer plans, obtained through a single hiring hall, employment with a successor and predecessor employer in cases of a merger or acquisition, and employment under a leasing arrangment.

The retraining income support payment will be offset by the extended benefits or other Federal supplemental compensation program to which the individual is or would have been entitled, any weekly training income support provided under another Federal program, or earned income that exceeds 50 percent of the individual's weekly UI benefit. This last provision establishes a national standard for disregarding income that would allow for the part-time employment of individuals while they are participating in the program.

Under a cost-reimbursable agreement, the income support payments will be administered by the State agency which administers the unemployment compensation program. The career center will assist individuals in education or training in applying for retraining income support under this title or under title II, as appropriate. Individuals not eligible for income support under either program, and needing income support to participate in training, will also be assisted in applying for other appropriate resources, including student financial aid.

The career center is to inform individuals determined eligible of the availability and requirements relating to income support, particularly the requirement that an individual be enrolled in training by the 16th week of unemployment in order to qualify. The substate grantee is also to make arrangements with the State UI agency to make this information, along with other information about the program, available to claimants.

Section 119(f) requires that the supportive services be made available when the individual reemployment plan identifies the need for such services to enable the individual's participation in intensive reemployment services or education and training services. The services may include, but are not limited to, transportation, dependent care, meals, health care, temporary shelter, needs-related payments, drug and alcohol abuse counseling and referral, family counseling, and other similar services. At the option of the career center, supportive services may also be made available to individuals participating in basic reemployment services. These services may be paid directly by the center, to a service provider, or through arrangements with appropriate agencies.

Section 119(g) authorizes a supplemental wage allowance for older workers. An eligible individual who is age 55 or over may receive a supplemental wage allowance if the individual: accepts full-time employment at a weekly wage that is less than the prior wage, was unable to obtain higher-wage employment through the basic reemployment services available under this program, and agrees jointly with a career center counselor that the allowance is the most effective adjustment option available. The allowance is payable for up to 52 weeks and equals three-quarters of the difference between the weekly wage received in a reemployment job and 80 percent of the individual's preceding average weekly wage. It may not exceed 50 percent of the regular weekly UI benefit level. The allowance is to be administered on a cost-reimbursable basis through a substate grantee agreement with the State unemployment compensation agency. An individual who has

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received a certificate of continuing eligibility may not subsequently receive a supplemental wage allowance.

Section 120 authorizes certificates of continuing eligibility. A career center may issue a certificate for continuing eligibility to individuals who are accepting new employment at a significantly lower wage than their previous wage or in an occupation significantly different from their previous occupation. The certificate will specify a period not to exceed 104 weeks within which the worker will remain eligible for reemployment services and for retraining income support payments under this program or under title II. The individual's continuing eligibility for such support will be based on his or her UI status at the time the certificate is received rather than at the time the individual returns to the program. This will ensure that the individual is held harmless. The requirements relating to enrollment in training to be eligible for income support remain applicable except that the 16- and 14-week periods start with the individual's separation from this new, subsequent employment.

Part B of title I defines Federal responsibilities. **Section 131** establishes a National Discretionary Grant Program. Section 131(a) specifies that the national grants are to address large scale economic dislocations resulting from plant closures, base closures, or mass layoffs.

Section 131(b) states that the services provided under the national grant program are to be the same types of services as those provided by career centers in substate areas. Grants may be awarded to such projects as those assisting industry-wide dislocations, multistate dislocations, and dislocations resulting from defense cutbacks, international trade, environmental laws and regulations, or special circumstances in the State. The Secretary may also award grants for projects that provide comprehensive planning services to assist communities in responding to an economic dislocation. In addition, grants may be awarded for on-site transition centers described in section 115(c)(2).

Section 131(c) contains the administrative provisions governing the national discretionary grant program. To receive a grant, an eligible entity must submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary determines is appropriate. Entities that are eligible to receive grants are States, substate grantees under this program, employers and employer associations, worker-management transition assistance committees, representatives of employees, community development corporations and community-based organizations, and industry consortia.

Section 132 authorizes Disaster Relief Employment Assistance. Funds appropriated to carry out this section are to be made available by the Secretary to the Governor of any State within which is located an area which has suffered an emergency or a major disaster. The provisions of section 132 currently are contained in part J of title IV of the Job Training Partnership Act. The eligibility provisions now contained in part J have been revised to specify that notwithstanding the general eligibility requirements for this program, an individual is eligible for disaster employment if the individual is unemployed (whether permanently or temporarily) as a consequence of the disaster. In addition, there are other technical changes in the provisions now in part J.

Section 133 authorizes the Secretary to conduct evaluations, research and demonstrations. Section 133(a) specifies that the Secretary shall provide for the continuing evaluation of title I programs, including their cost-effectiveness in achieving the purposes of the title. Such evaluations must utilize recognized statistical methods and techniques of the behavioral and social sciences, including methodologies that control for self selection, where indicated. The evaluations may include cost benefit analyses, impact analyses, analyses of the extent to which title I programs meet the needs of various demographic groups, and the effectiveness of delivery systems used by the various programs. Also required are evaluations of the effectiveness of title I programs with respect to the statutory goals, the performance standards established by the Secretary, and the extent to which the programs enhance participant employment and earnings, reduce income support costs, improve participants' employment competencies compared to a non-participant control group, and, to the extent feasible, increase the level of total employment beyond that in the absence of the programs.

Section 133(b) requires the Secretary to establish a research program that relates to addressing economic dislocation, facilitating the transition of permanently laid off workers to reemployment, and upgrading the skills of employed workers. Section 133(b)(2) requires the Secretary to develop and maintain statistical data relating to permanent layoffs and plant closings, and to publish a report based on such data as soon as practicable after the end of each calendar year. This provision is currently contained in section 461(e) of the Job Training Partnership Act.

Section 133(c) requires the Secretary to conduct a program of demonstration projects to develop and improve the methods for addressing economic dislocation and promoting worker adjustment. Projects that may be funded include those that upgrade the skills of employed workers who are at risk of being permanently laid off, and those that assist in the conversion or restructuring of businesses in order to avert plant closings or substantial layoffs. Demonstration projects are limited to three years' duration and each project must contain an evaluation component.

Section 134 requires the Secretary to provide staff training and technical assistance to States, substate grantees, career centers, communities, business and labor organizations, service providers, industry consortia, and other entities. Such training and technical assistance may be provided through grants, contracts or other arrangements, and is intended to enhance the capacity of these parties to deliver effective adjustment assistance services and to avert plant closings or substantial layoffs. The assistance may include development of management information systems, customized training programs, and dissemination of computer-accessed learning systems. Training and technical assistance provided under this section must be coordinated with the activities of the Capacity Building and Information and Dissemination Network established under section 453 of the Job Training Partnership Act.

Section 135 provides Federal by-pass authority for operation of the program. If a State chooses not to participate in the program, the Secretary is to use the funds that would be allotted to the State to provide services to eligible workers in that State.

Part C of title I establishes performance standards and quality assurance systems.

Section 151 requires the Secretary to establish a process within each State to promote the development of a customer service compact among the parties administering title I programs: the Secretary, the Governor, each substate grantee, and each career center. The compact is an informal agreement rather than a formal legal document. It is to identify the shared goals and values that will govern the administration of the program, the respective roles and responsibilities of each party, methods for ensuring that the satisfaction of participants with services received is a primary consideration in the administration of the program, and other matters on which there is agreement. This compact reflects a new customer-driven view of the relationship between the local, State and Federal partners in providing employment and training services. It is a pledge to deliver quality customer services, and is part of the process to continuously develop customer-based performance measures and improve performance. Each year, the partners will meet to discuss goals and strategies for serving their customers in the coming year.

Section 152 establishes performance standards for title I. Section 152(a) requires the Secretary, after consulting with the Secretary of Education, Governors, substate grantees, and career centers, to prescribe separate performance standards for substate grantees and career centers. The standards are to be based on factors the Secretary determines are appropriate, and may include (1) placement; (2) the acquisition of skills based on the skill standards and certification system endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act; (3) participant and employer satisfaction with services provided and employment outcomes; (4) employer satisfaction with the job performance of the individuals placed; and (5) the quality of services to hard-to-serve populations, such as low-income and older workers.

Section 152(b) requires each Governor to prescribe adjustments to the Secretary's standards, within parameters established by the Secretary and after consultation with substate grantees and career centers. Such adjustments must be based on (1) economic, geographic and demographic factors, and (2) characteristics of the population to be served.

Section 152(c) specifies that the Governor is to provide technical assistance to substate grantees and career centers that fail to meet performance standards under uniform criteria prescribed by the Secretary. Governors must report annually to the Secretary on the final performance standards and performance for each substate grantee and career center, as well as the technical assistance the Governor plans and has provided. If a substate grantee fails to meet performance standards for two consecutive program years, the Governor must terminate the grantee agreement and designate another entity as the substate grantee. Similarly, the substate grantee must terminate the career center agreement and select another entity as a career center operator if the center has failed to meet standards for two consecutive years. Subsection (c) provides substate grantees and career centers with an appeal process to the Secretary regarding such terminations.

Section 152(d) specifies that Governors are to award incentive grants, out of the Governor's reserved funds, to substate grantees and career centers exceeding performance standards. Incentive grants are to be used by substate grantees and career centers to enhance or expand services.

Section 153 requires that each substate grantee establish methods for obtaining feedback from customers--individuals and employers--on the effectiveness and quality of the services they have received and of the service providers. Surveys, interviews and focus groups may be used to obtain this feedback. The information obtained must be analyzed by the substate grantee on a regular basis, and a summary of the information and the analysis is to be provided to the career center for use in improving its administration of title I programs and aiding customer choice in selecting eligible service providers.

Section 154 establishes eligibility requirements for providers of education and training services. The purpose of such requirements is to provide individual customers with information on the performance of service providers that will assist them in choosing types of services and where to obtain those services, and to preclude ineffective service providers from receiving Federal funds.

Section 154(a) states that in order to be eligible to receive title I funds, an education and training service provider must be eligible to participate in title IV of the Higher Education Act or be determined to be eligible under the alternative eligibility procedures in subsection (b). Such provider must also provide the performance-based information required in subsection (c).

Section 154(b) requires the Governor to establish an alternative eligibility procedure for education and training providers that desire to be funded under this Act, but are not eligible under the Higher Education Act. This procedure must establish minimum levels of performance and be based on factors and guidelines developed by the Secretary, after consultation with the Secretary of Education. The factors must be comparable to those that are used to determine an institution of higher education's eligibility to participate in title IV programs. If the participation of an institution of higher education in programs under title IV of the Higher Education Act is terminated, the institution may not receive funds under the Reemployment Act for a period of two years.

Section 154(c) describes the types of performance-based information that must be submitted by all service providers (except for on-the-job training) in order to qualify under this section. Such information is to be identified by the Secretary in consultation with the Secretary of Education and may include program completion rates, licensure rates, placement and retention in employment rates, the percentage of graduates who meet skill standards and certification requirements, and the percentage of students who obtain employment in an occupation related to the provider's program. Governors may prescribe additional performance-based information to be submitted by providers. It is intended that the Secretary will closely coordinate with the Secretary of Education to promote consistency in the information requested of service providers under this program and under the Higher Education Act.

Section 154(d) specifies how the system of eligibility requirements is to be administered. Each State must designate a State agency with responsibility for compiling a list of eligible providers and performance-based information and disseminating this list to substate entities and career centers in the State. Service providers desiring to receive title I funds must submit the performance-based information described above to the designated State agency at such time and in such form as the agency requires. The designated State agency may provide technical assistance to providers in developing the required information, including facilitating the use of State administrative records.

If the State agency determines that information concerning a provider is inaccurate, the provider is disqualified from receiving title I funds for two years, unless the provider can demonstrate that the information was provided in good faith. The Governor must establish a procedure for service providers to appeal disqualification. The procedure must provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

The Secretary of Labor must also consult with the Secretary of Education regarding the eligibility of institutions of higher education and other providers of education and training under the Reemployment Act and the Higher Education Act.

Section 154(e) specifies that providers of on-the-job training are not subject to the eligibility requirements described in this section, but the substate grantee is required to collect performance-based information required by the Secretary from on-the-job training providers and disseminate this information to career centers.

Part D of title I contains a variety of requirements generally applicable to all program under title I. These provisions are adapted almost exclusively from the provisions contained in part C of the Job Training Partnership Act and also incorporate a labor consultation provision from section 311 of JTPA.

Section 161 contains general program requirements. First, it prohibits the use of funds under this title to induce, encourage, or assist relocations if the move results in the loss of employment at the original site. In addition, funds cannot be used for 120 days for on-the-job training, customized or skill training, or company specific assessment of job applicants or employees for an establishment that has relocated, if the relocation led to loss of employment at the original site. The Secretary must investigate allegations that funds under this title have been improperly used. Where the Secretary determines a violation by a State, substate area, or substate grantee, repayments of misspent funds to the Treasury is required. The Secretary is also required to collect an additional amount equal to the repayment unless the violators demonstrate they neither knew nor could have known the funds were improperly used, and these funds would be provided to the title I program.

Second, the section requires that efforts be made to develop programs under this title to encourage occupational development, upward mobility, the development of new careers, and to overcome sex-stereotyping in non-traditional employment.

Third, the section authorizes joint agreements or contracts between substate grantees to pay or share education, training, placement or supportive services costs under this title.

Fourth, the section establishes limitations on OJT. Payments to employers for OJT may not exceed the average of 50 percent of wages paid to program participants. In addition, OJT is limited to the period generally necessary to acquire skills related to the occupation, but is not to exceed 6 months. OJT contracts must specify the type and duration of training, and OJT contracts with brokers must include additional information on services to the client by the broker and the employers. Contracts are prohibited with employers who have exhibited a pattern of not providing OJT participants with regular employment after the training period with wages and benefits comparable to other employees.

Fifth, charging an individual a fee for the placement or referral of that individual in or to a training program under this title is prohibited.

The section also contains provisions that prohibit subsidy of private for-profit employment; cover the retention of program income by public and nonprofit entities; specify notification and consultation requirements; permit cooperative agreements between States; prohibit funding for public service employment except for disaster relief employment assistance; prohibit funding for employment generating and related activities except for disaster relief employment assistance; and cover Federal real property requirements.

Section 162 provides standards for the wages to be paid to participants in training.

Section 163 provides labor standards relating to general working conditions; health and safety standards; workers' compensation; equitable treatment; prohibition of displacement; relationship with organized labor, including the requirement that programs under title providing services to a substantial number of labor organization members will be established only after full consultation with the organization.

Section 164 provides for grievance procedures and the remedies available to grievants.

Part E of title I contains fiscal administrative provisions governing title I. These provisions are adapted from the

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provisions contained in part D of title I of the Job Training Partnership Act. This part assumes that the Office of Management and Budget Circulars A-102 and A-87, governing administrative requirements and cost principles applicable to Federal grant programs, will not apply to title I. Rather, the provisions of part E, many of which are similar to the Circulars, will apply. Currently, these Circulars do not apply to title II or title III of the Job Training Partnership Act.

Section 171(a) directs that appropriations under title I for any fiscal year shall be available for obligation only on the basis of a program year, which begins on July 1 in the fiscal year for which the appropriation is made.

Section 171(b) authorizes recipients to expend funds obligated in a program year either during that program year or the two succeeding program years.

Section 172 contains procedural requirements regarding the publication of formula allocations and allotments, and any discretionary allocation formula.

Section 173 authorizes the Secretary to monitor all recipients of financial assistance under title I, and to conduct investigations to determine compliance with the title and implementing regulations.

Section 174(a) contains requirements for States to follow in establishing fiscal controls and fund accounting procedures necessary to assure the proper disbursal of, and accounting for Federal funds paid to recipients under title I.

Section 174(b) contains the requirements and procedures to follow in the event the Governor determines that there is a substantial violation of the Act or its regulations.

Section 174(c) specifies requirements for repayment of funds by recipients of amounts found not to have been expended in accordance with title I.

Section 174(d) establishes liability of recipients for repayment of funds, and specifies conditions for the Secretary's imposition of sanctions against a recipient.

Section 174(e) gives the Secretary emergency authority to terminate or suspend financial assistance, when it is deemed necessary to protect the integrity of funds or ensure the proper operation of the program.

Section 174(f) requires the Secretary to take action or order corrective measures with respect to participants who have been discharged or discriminated against, or who have filed a complaint or been denied a benefit.

Section 174(g) specifies that the remedies under section 174 are not to be exclusive remedies.

Section 175 requires each recipient of financial assistance to maintain records on funds, participants and programs, and keep such records for the inspection of the Secretary, the Inspector General, and the Comptroller General. The section also specifies the responsibilities of fund recipients for maintaining management information systems, financial records, and monitoring the performance of service providers. Each Governor must establish record retention requirements.

Section 176 establishes procedures for administrative adjudication to be used whenever any applicant for financial assistance is dissatisfied because the Secretary has made a determination not to award such assistance.

Section 177(a) makes programs under title I subject to the nondiscrimination provisions of the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act, title IX of the Education Amendments of 1972, and title VI of the Civil Rights Act of 1964. Section 177(a) also prohibits discrimination under title I on the basis of race, color, religion, sex, national origin, age, disability, or political affiliation or belief; prohibits employment of participants on the construction, operation or maintenance of religious facilities; prohibits discrimination against participants in title I because of their status as participants; and allows participation in title I programs of certain aliens and refugees.

Section 177(b) establishes procedures to be used by the Secretary whenever the Secretary determines that a State or other recipient has failed to comply with a provision of law or regulation governing nondiscrimination.

Section 177(c) authorizes the Attorney General to bring civil action in any appropriate U.S. district court for appropriate relief in discrimination cases.

Section 178 provides for review in the courts of appeals with respect to the Secretary's final determinations to award or not award financial assistance, terminate assistance, withhold funds, or otherwise sanction a recipient, or if any interested party is dissatisfied with or aggrieved by any final action of the Secretary.

Section 179 authorizes the Secretary to prescribe rules and regulations, accept gifts to carry out title I programs, allocate or spend funds, and utilizes services and facilities of other

Federal, State, or substate agencies. Section 179 also prohibits financial assistance to be used for political activities.

Section 180 specifies that no authority to enter into contracts or financial assistance agreements under title I shall be effective except to the extent or in such amount as are provided in advance in appropriation Acts.

Section 181 amends section 665 of title 18, United States Code, to provide criminal penalties for anyone who knowingly enrolls an ineligible participant, embezzles or steals any money, assets or property of a program assisted under title I, or who willfully obstructs or impedes a Federal investigation conducted under title I.

Section 182 provides that, upon enactment of this Act, references in other statutes to the Job Training Partnership Act shall be deemed also to refer to the Reemployment Act of 1994.

Part F contains miscellaneous provisions relating to title I.

Section 191 establishes July 1, 1995 as the effective date of title I.

Section 192 terminates the EDWAA program (sections 301-324 of the Job Training Partnership Act (JTPA), the Defense Conversion Adjustment Program, the Defense Diversification Program, and the Clean Air Employment Transition Assistance Program on July 1, 1995. Funds authorized under these programs will be permitted to be expended until they are exhausted.

The Disaster Relief Employment Assistance Program, Title IV-J of JTPA and the mass layoff study provisions in section 462(e) of JTPA (which are transferred to this Act) are also terminated on July 1, 1995.

Section 193 provides the Secretary with general authority to establish rules and procedures to provide for an orderly transition from the terminated programs to the comprehensive program established under title I.

Title II contains retraining income support and unemployment compensation flexibility provisions. **Part A** contains the provisions which would establish a system of retraining income support for unemployed individuals in long-term training.

Section 201 would establish the retraining income support program. The program is designed to assist permanently laid-off individuals who are participating in training programs after those individuals have exhausted all unemployment compensation to which they may have been entitled under State or Federal unemployment compensation laws.

Section 202 would require, subject to the availability of funds in the account established by part B of the title, payment of retraining income support to individuals who meet the eligibility requirements of subsections (a), (b) and (c). Subsection (a) describes those requirements for individuals who have three years or more of work with the employer from which the individual was laid-off. Subsection (b) describes the eligibility requirements for individuals who have been determined to be adversely affected due to international trade under a temporary certification procedure established by part D of the title. Subsection (c) would extend eligibility, beginning in program year 2000, for retraining income support to individuals who have at least one year, but less than three years, of employment with the employer from which they were laid-off and to individuals who have worked for a previous employer in the occupation for one year or more and in the industry of the job from which they were laid off.

Subsection (a) would become effective for weeks beginning after July 1, 1995. Subsection (b) would be effective between July 1, 1995 and before October 1, 1999. Subsection (c) would become effective for weeks beginning after September 30, 1999.

In general, the eligibility requirements are intended to provides retraining income support to individuals who have (1) been permanently laid off (as defined in section 203), (2) received (or would have received had they applied) unemployment compensation as a result of the layoff, (3) exhausted all rights to unemployment compensation (or would have exhausted had they applied), and (4) are participating and making satisfactory progress in an approved education or training program as part of a reemployment plan developed for the individual by an agency certified by the Secretary to develop such plans.

In addition, the bill would generally require individuals to be enrolled in an education or training program by the later of the 16th week after the permanent layoff or by the 14th week after he, or she, is aware that the layoff is permanent in order to qualify for retraining income support. In situations where there were extenuating circumstances that justified a delay in enrolling in such a program, individuals would be able to get a 30 day extension from the enrollment date requirement. In addition, individuals who have been issued a certificate of continuing eligibility under section 120 would have until the sixteenth week after their separation from the subsequent employment to enroll in training.

Subsection (d) would provide that periods of temporary layoff, of up to 26 weeks, would be counted in determining the length of employment with the layoff employer. In addition, subsection (d) describes other non-work periods that would be included in determining the length of employment with the layoff employer. These include the following:

- up to 7 weeks in any one-year period of employer-authorized leave or in service as a full-time labor representative;
- up to 12 weeks in a one-year period for conditions that are described in section 102 of the Family and Medical Leave Act of 1993; and
- up to 26 weeks in any one-year period for a compensable disability under worker's compensation or for call-up for active duty in the Armed Forces of the United States.

Subsection (e) would make it clear that for the purpose of determining an individual's length of tenure with an employer, all jobs worked by an individual that are covered by a multi-employer pension plan defined in ERISA, and all jobs worked that were obtained through a single hiring hall, would be considered employment for the same employer. In addition, the subsection would include as employment for the same employer all employment for a predecessor employer or a joint employer. As a result of the inclusion of employment for a predecessor employer, employees who work for a business that has been the subject of a merger, sale or spinoff would not have their job tenure reduced as a result of that transaction. As a result of the inclusion of employment for joint employers, employees who are leased to another employer would suffer no diminution of their job tenure as a result of the leasing.

Subsection (f) would provide that brief breaks of up to twenty-eight days, from an education or training program, providing the individual was participating in the program before the break and the break is provided under the program, would be treated as a period in training. As a result, an individual could continue to receive retraining income support during such a break.

Section 203 would set the weekly retraining income support amount payable to an eligible individual at the amount equal to the most recent benefit amount payable to the individual for a week of total unemployment under the State's unemployment compensation law. That amount would be reduced, dollar for dollar, by any training income support provided for that same week under another Federal program. The weekly amount would also be reduced dollar for dollar by any income earned by the individual in employment that exceeds half of the individual's weekly retraining income support.

Section 204 would set the maximum amount of retraining income support that is payable to an individual. Under subsection (a), individuals who are either eligible for retraining income support under section 202(a), or would have been eligible for income support under the trade adjustment assistance program, would be eligible for up to 52 weeks of retraining income support in a 104 week period beginning with the date of permanent layoff. Under subsection (b), individuals with at least one, but less than three, years of work with the same layoff employer (or with at least one year with an employer immediately preceding employment with the layoff employer in the same occupation), would be limited to 26 weeks of retraining income support within a 78 week period beginning with the date of permanent layoff. Both subsections (a) and (b) would reduce the amount of retraining support by the amount the individual has received from extended or emergency unemployment compensation.

Subsection (c) would prohibit the payment of retraining income support to an individual who receiving remuneration from an on-the-job training program.

Subsection (d) would address the rare situation where an individual becomes eligible for extended unemployment compensation after he, or she, has received the maximum amount of retraining income support. In such a case, the number of weeks of extended benefits would be reduced by the number of weeks that the individual was entitled to retraining income support.

Section 205 would authorize the Secretary to enter into agreements with the States to pay retraining income support to eligible individuals. Such agreements would, among other things, require the States to notify applicants that participation in an education and training program is a requirement for the receipt of retraining income support and to provide for a system of voluntary withholding of Federal individual income tax.

Section 206 would require the Secretary to establish a system to pay retraining income support to individuals in a State where there is no agreement for the payment of such support with the State.

Section 207 would limit the liability of public officials in making payments under this title.

Section 208 describes the procedures which would have to be followed in cases of fraud and overpayment. Under subsection (a), individuals who receive overpayments would be liable to repay the amount overpaid. However, repayment could be waived if it were determined that the payment was made without fault on the part of the individual and that requiring repayment would be contrary to equity and good conscience. The Secretary could require a State to recover any overpayment by deducting such overpayment from any other unemployment compensation payable to the individual under State or Federal law, as long as the amount deducted would not exceed 50 percent of the amount otherwise payable.

Subsection (b) would define fraud and would specify that an individual who has been found to have committed such would, in addition to any other penalties provided by law, be ineligible for any further payments of retraining income support.

Subsection (c) would provide that no repayments or deductions could be made until notice and a fair hearing have been provided to the individual and the determination has become final. Under subsection (d) amounts recovered would be returned to the Retraining Income Support Account which would be established by section 221.

Section 209 would provide for a penalty of a fine of $1000 or imprisonment for not more than a year, or both, for anyone who makes a false statement of a material fact or who fails to disclose a material fact for the purpose of obtaining or increasing any retraining income support payment.

Section 210 would define the terms specific to part A of the bill.

Section 211 would authorize the Secretary of Labor to prescribe such regulations as may be necessary to carry out part A.

Section 212 would provide that the provisions of part A become effective on July 1, 1995.

Subpart B establishes a Retraining Income Support Account. **Section 221** would amend Title IX of the Social Security Act to include a new section 911 establish a Retraining Income Support Account as a separate book account in the Unemployment Trust Fund. For fiscal years 1996 through 2000, this new account would be funded from an annually escalating fraction of the proceeds of the 0.2 percent Federal surtax collected under section 3301 of the Internal Revenue Code. Beginning in fiscal year 2001, the entire 0.2 percent will be directly deposited into the account. The flow of funds to other Federal accounts (ESAA, EUCA, FUA) would not be affected by transfer of funds to this account, and the account would not participate in the borrowing among Federal accounts required by section 910. At all times spending for retraining income support would be capped at the amount of funds in the account.

The new section 911 of the Social Security Act would provide for a permanent appropriation of the funds in the Retraining Income Support Account. This section would also provide for the transfer of funds to the States that have entered into agreements to pay retraining income support. Under the section, the Secretary from time to time would transfer funds for the payment of that support. All money received by a State under this section would have to be used solely for the payment of retraining income support, except that deductions from a payment would be allowed for the purpose of paying health insurance or withholding Federal individual income tax if the recipient of the payment so elected. Any funds not so used in accordance with these provisions would be returned to the Retraining Income Support Account.

Section 222 would amend section 901(c) of the Social Security Act to permit payment from the Employment Security Administration Account (ESAA) for administrative expenses incurred by States in retraining income support payments.

Section 223 sets forth conforming amendments to the Social Security Act and the Internal Revenue Code. Subsection (a) would amend section 905 the Social Security Act to adjust the funding of the Extended Unemployment Compensation Account to take into account the funding of the Retraining Income Support Account. Subsection (b) would amend section 3302 of the Internal Revenue Code to reduce the credit employers in a particular State receive for contributions to a State unemployment fund by 7.5 percent if such State did not enter an agreement under section 205 to administer a program for the payment of retraining income support, or did not fulfill its commitments under such an agreement.

Part C contains the changes in the Tax Code that are necessary for financing the costs of the retraining income support program.

Section 231 would provide for a permanent extension of the 0.2 percent surtax that is scheduled to expire at the end of calendar 1998. For budget purposes, the retraining income support program is primarily financed by program offsets until fiscal year 2000. In that and succeeding fiscal years, the program will be financed entirely by the FUTA surtax.

Section 232 would amend the Tax Code to require States to allow individuals receiving unemployment compensation or retraining income support to have Federal individual income tax withheld at a rate of 15 percent from such compensation on a voluntary basis. States would be required to conform their unemployment compensation laws to provide for voluntary withholding by January 1, 1996. Conforming amendments would be made to allow the use of trust fund monies to pay for the withholding of Federal individual income tax.

Part D provides for the integration of trade-impacted workers into the Comprehensive Reemployment System established under title I and part A of title II of this Act.

Section 241 would phase out both the Trade Adjustment Assistance program and the NAFTA Transitional Adjustment Assistance program. Under subsection (b), those individuals receiving assistance under these programs before July 1, 1995 would be able to receive the balance of their benefits.

Section 242 would establish a transitional certification program for trade-impacted individuals. Subsection (a) establishes within the Department of Labor a temporary, transitional certification program. Upon certification, trade-impacted workers would be eligible for services under the comprehensive reemployment program authorized by title I and income support under part A of title II. The certification process would be the same as is carried out under the current TAA program.

Subsection (b) sets forth the components of the transitional certification program. Paragraph (1) sets forth the eligibility requirements for certifying a group of workers. Paragraph (2) establishes a petition process by which groups of workers may petition for certification. Paragraph (3) details the process by which the Secretary is to make a determination on such a petition, and excludes those whose last layoff from an impacted firm was more than one year before the date of the petition on which the certification was granted. In addition, paragraph (3) would require the Secretary to publish a summary of the determination in the Federal Register, and also authorizes the Secretary to terminate certifications for firms or subdivisions where layoffs from those entities are no longer attributable to foreign trade. Paragraph (4) would give the Secretary the power to subpena witnesses and documents necessary for the making of such a determination.

Subsection (c) limits the filing period for petitions for certification under the transitional program to the period after June 30, 1995 and before July 1, 1999.

Part E includes amendments to the Federal Unemployment Tax Act which would permit States to amend their laws to pay unemployment compensation under a short-time compensation program to an individual who is working reduced hours for the employer, and to pay reemployment bonuses to certain individuals.

Section 251 is basically a technical amendment which would redefine the current definition of short-time compensation program as it was defined in Title IV of the Unemployment Compensation Amendments of 1992 (P.L. 102-318) and include that definition in section 3306(u) of the Federal Unemployment Tax

Act. The short-time compensation program is designed to avert layoffs. Under the program, a worker's hours are reduced in lieu of a layoff and the worker is eligible for unemployment compensation based on the proportion of such reduction.

Section 252 would permit States to amend their laws to offer reemployment bonuses equal to no more than four times the individual's weekly amount of unemployment compensation to individuals who are: unemployed; eligible for unemployment compensation, determined as likely to exhaust their unemployment compensation; and who find full-time employment within no more than 12 weeks from the date of filing their initial claim for unemployment compensation. In addition, the new employment must be with an employer other than the one with whom the individual was employed prior to receiving unemployment compensation, and the new employment must continue for at least four months. A State would only be allowed to use this program if it did not add any additional costs to the Unemployment Trust Fund and if the State has a plan for implementing the program that is approved by the Secretary.

Appropriate conforming amendments would also be made to the withdrawal standards in section 3304(a)(4) of the Federal Unemployment Tax Act and section 303(a)(5) of the Social Security Act.

Section 253 would remove the sunset provision from the Self-Employment Assistance Program, which provides self-employment allowances in lieu of unemployment compensation to assist unemployed workers in starting businesses and becoming self-employed. The sunset provision discourages States from developing the supportive program, including entrepreneurial training, that is to accompany the self-employment effort.

Section 254 provides that the provisions of title II take effect on the date of enactment.

Title III of the bill would establish a program to encourage States to develop and implement Statewide networks of one-stop career centers. These networks would provide a common point of access to employment, education and training information and services to students, workers, and employers. The centers would make services available under employment and training programs administered by the Secretary and would encourage the participation of other Federal, State and local human resource programs.

Section 301 describes the purposes of title III. These include: establishing a national program of grants and waivers of Federal statutory and regulatory requirements to provide States with the opportunity to develop and implement one-stop career center networks; providing seed money to encourage a flexible, nationwide system of one-stop career centers; promoting universal access to a comprehensive menu of quality employment, education and training information and services; encouraging a customer-oriented approach to the provision of services, including features to enhance customer choice and ensure that the satisfaction of individuals with services received is a primary consideration in the administration of the program; establishing a governance structure composed of State, local and Federal partners to ensure common goals, planning, service coordination and oversight of the networks; and providing State and local areas with increased flexibility in the administration of employment and training programs in exchange for greater accountability for outcomes.

Part A of title III contains the components of the voluntary one-stop career center system. **Section 311** identifies the seven basic components, which are: the establishment of a workforce investment board; the establishment of one-stop career centers; the provision of certain common services through the one-stop career centers; the participation of Federal employment and training programs; an agreement between all affected parties regarding the operation of the centers; quality assurance systems, including performance standards; and the establishment of a State Human Resource Investment Council.

Section 312 describes the establishment and functions of the workforce investment boards. Under section 312(a), the Governor is to designate one-stop service areas (OSSAs) within the State. The OSSAs are to be either the geographic boundaries of the labor market areas within the State (although no service delivery area or substate area may be subdivided among the OSSAs), the substate areas established under title I of the Act or a consortium of such areas, or the service delivery areas established under JTPA or a consortium of such areas. In order to promote planning and stability, OSSAs may not be redesignated more frequently than once every four years.

Under section 312(b), for each OSSA, the chief local elected official or officials is to establish a workforce investment board. The board is to be composed of five categories of members: first, representatives of private sector employers, who are to be a majority of the board and consist of owners, chief executives or chief managers of businesses; second, representatives of organized labor, and community-based organizations, who are to be at least 25 percent of the board membership and officers of their organizations; third, representatives of educational institutions; fourth, appropriate community leaders, such as leaders of economic development agencies, human service agencies and institutions, veterans' organizations and entities providing job training; and fifth, a chief local elected official, who is to be a non-voting member.

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The employer representatives are to be nominated by general purpose business organizations. The labor representatives are to be nominated by recognized State and local labor federations, except that if the federations are unable to nominate a sufficient number of representatives, individual workers may be included. The elected official is to be selected from among the elected officials in the area by such officials. All other members are to be nominated by interested organizations.

The appointments are to be made by the chief local elected official, except if there is more than one unit of government in the OSSA the appointments are to be made in accordance with an agreement between the officials for such units. Absent such agreement, the Governor would appoint the members. The size of the board is to be initially determined by the chief local elected official or officials, and thereafter by the board itself. The members are to be appointed for fixed and staggered terms, and any vacancy is to be filled in the same manner as the original appointment. Any board member may be removed for cause.

The board is to elect a chairperson, from among members who are not public officials or the head of a public agency, for a period to be determined by the board. The chairperson is to appoint appropriate staff, who are not to serve concurrently as the staff of any of the participating programs. The staff may include an executive director.

The board is to be funded pursuant to the one-stop career center operating agreements, based on a budget requested by the board and approved by the chief local elected official. No member of the board may cast a vote that would provide direct financial benefits to that member.

A private industry council (PIC) may become a board with the approval of the chief elected officials if the PIC meets the composition requirements or is reconstituted to meet such requirements. A State Human Resource Investment Council may, in any case where the OSSA is the State, be reconstituted as the board.

The Governor is to certify that a board meets the requirements of this section.

Section 312(c) describes the six basic functions of the board. First, the board is to develop strategic plans and provide policy guidance to the workforce development programs in the OSSA. The strategic plan is to be consistent with the statewide strategic plan developed by the State Human Resource Investment Council and to include measurable objectives for improving the quality and effectiveness of workforce preparation, development, and training in the OSSA and methods for coordinating the programs to provide maximum coverage of the workforce, ensuring equitable access by population subgroups, and enhancing the delivery of services in the OSSA. Second, the board is to utilize available labor market information and other methods to identify available jobs and occupations in demand currently and in the future, the skill requirements relating to those jobs and occupations, and the education and training services available to develop such skills. This information is to be used by the board to develop goals and identify activities to be provided by the workforce development programs. Third, the board is to review and approve budgets for certain Department of Labor-administered employment and training programs and review and provide recommendations regarding the budgets of other programs participating in the one-stop career centers. Fourth, the board is to assume the policy-making functions of the PICs under title II of JTPA and of the Job Service Employer Committees. However, the board may not be the administrative entity for programs under JTPA (as are some PICs), and may not operate any other programs. Fifth, the board is to conduct oversight of implementation of the strategic plan it develops and of the overall performance (rather than day-to-day operations) of programs participating in the one-stop system. Finally, the board is to administer the procedures for establishing one-stop career centers described below.

Section 313 describes the two options for establishing one-stop career centers. Section 313(a) provides that the Governor and the chief local elected official or officials are to jointly select either a consortium option or a multiple independent operator option to establish the centers.

Section 313(b) describes the consortium option. Under this option, the one-stop career centers in the OSSA are to be administered by a consortium that consists of the Employment Service, the substate grantee or grantees under title I of the Act, the administrative entity or entities under title II of JTPA, the State UI agency (unless such agency chooses not to participate), and one or more additional partners that is either a unit of government, a public or private service provider, or a consortium of such units and providers.

A consortium may not be designated to operate a one-stop career center system unless it meets criteria described below under the multiple operator option and agrees to provide for customer choice by operating two or more centers, by administering budget resources to reflect, at least in part, the extent to which each center is used by the public, and by providing equitable access to centers by segments of the population within the one-stop service area.

A consortium is also to identify to the board the procedures that would be used to integrate the administration of programs, such as procedures for cross-training of staff, collocation of facilities, and use of common forms and practices.

The Governor and chief local elected official or officials, in consultation with the workforce investment board, are to review each consortium's performance and once every four years to determine whether to renew the charter.

Section 313(c) describes the multiple independent operator option. Under this option, the board is to select two or more entities to operate one-stop career centers pursuant to an open selection process. Any entity or consortium of entities may apply to be selected as an operator, including employment service offices, career center operators under title I, service delivery areas or administrative entities under title II of JTPA, community colleges and area vocational schools, community-based organizations and other interested organizations.

There is a special rule under this selection option whereby if the Employment Service or a consortium including the Employment Service applies to be selected and meets the selection criteria, it must be selected as an operator.

The board is to publish information to notify organizations and individuals in the area of: the selection procedures, including the estimated number of one-stop career centers needed and the proposed number of operators to be selected; the application procedures; the criteria for selection; and other information the board deems relevant. In determining the number of one-stop career center operators to be selected, which is to be two or more (see single operator exception below), the board is to consider the size of the labor market, the number of individuals likely to use the centers, the number and capabilities of potential operators, and equitable access by segments of the population to the centers.

The selection criteria are to be issued by the board, consistent with guidelines provided by the Secretary, and based on objective criteria and measures. An applicant may not be selected as an operator (under either selection option) unless the applicant demonstrates to the satisfaction of the board that it would: operate a center that would provide the specified common services; utilize automated information systems to exchange information among centers; meet performance standards; ensure effective fiscal and program management; administer the process of referring participants to education and training in an objective and equitable manner; and provide services on a nondiscriminatory basis.

Notwithstanding the requirement for two or more operators, if only one applicant meets the selection criteria, that applicant may be selected as the sole career center operator in the OSSA. This open selection process, under this option, is to be conducted once every four years.

The career centers established under either option are to be issued a charter by the board that will identify the number and location of one-stop centers in the OSSA and the entities operating the centers, provide for display of a national one-stop career center logo, and include such other conditions as the board determines is appropriate.

Section 313(e) contains "honest broker" provisions for one-stop career center operators that concurrently provide education and training services to title I participants. If the workforce investment board, in an annual review, determines that such center has engaged in a pattern of inappropriate referrals to the education and training services of the operator, the Board may terminate the charter of the center or require the operator to cease providing services to participants as a condition for continuing to operate the center.

Section 314 describes the services to be provided through the one-stop career centers. Section 314(a) describes the basic services which are to be made available to the public by each center free of charge. These twelve services are: outreach, including efforts to expand awareness of training and placement opportunities for limited-English proficient individuals, disadvantaged youth and adults, and individuals with disabilities; intake and orientation to the center; assistance in filing an initial unemployment compensation claim; a preliminary assessment of skill levels and service needs; local, regional and national labor market information, including job vacancies, local occupations in demand and the earnings and skill requirements for such occupations; job search assistance; job referrals and job placement assistance; information relating to job training and education programs (including student financial assistance), including the quality and requirements of such programs, and appropriate referrals to such programs; information collected pursuant to the performance standards and customer feedback requirements; assistance in evaluating whether an individual is likely to be eligible for any participating programs; information on programs and providers of dependent care and other supportive services; and soliciting and accepting job orders submitted by employers and referring individuals in accordance with such orders.

Section 314(b) describes the intensive services that are to be provided by the center in accordance with the operating agreement and which must be made available to title I participants who are unable to obtain employment through the basic services. These twelve services are: comprehensive and specialized assessments of skill levels and service needs, including diagnostic testing and in-depth interviewing; the development of individual reemployment plans identifying the employment goal, achievement objectives, and the appropriate combination of services for an individual to achieve the goal; individualized counseling and career planning, including peer counseling and counseling and planning relating to nontraditional employment opportunities; group counseling, including peer counseling, which may be available to individuals jointly with immediate family members, and may include counseling on stress management and financial management, and which shall be a basic service for participants in title I under this Act; case management and periodic review of progress toward the employment goal; job development; out-of-area job search allowances; relocation allowances; follow-up counseling; assistance in the selection of education and training providers; assistance in obtaining income support to enable an individual to participate in training; and supportive services.

Section 314(c) describes specialized employer services which may be provided. These are: customized screening and referral of individuals for employment; customized assessment of the skill levels of current employees; analysis of an employer's workforce skill needs; and other specialized services.

Section 314(d) authorizes the one-stop career centers to provide such other additional services as are specified in the operating agreement.

Section 314(e) authorizes a one-stop career center to charge fees for the intensive services, specialized employer services, and the additional services described above if the board approves the fees. However, no fees may be charged for any service an individual is eligible to receive free of charge from a participating program unless there are no funds available under the program to provide those services. All income received from the fees by a public or private non-profit center operator are to be used to expand or enhance the services provided through the centers.

Section 315 identifies the programs that are to participate in the operation of the one-stop career centers. Section 315(a) provides that the programs that are to make basic services available to participants through the one-stop centers are: programs under title I; programs under the Wagner-Peyser Act; programs under title II of JTPA; the Veterans' Employment Service; the Senior Community Service Employment program under title V of the Older Americans Act; and programs authorized under Federal and State UI laws.

Of these programs, title I programs are to provide basic and intensive services through one-stop centers (which are to replace the career centers established under that title). The Wagner-Peyser Act program is to make applicable basic and intensive services available only through the centers. The Veterans Employment Service is to make applicable basic and intensive services available through the centers, but may also provide such services at other locations. All other identified programs may make basic services available through other locations and providers in addition to making them available through the centers. All identified programs may provide additional services through the centers in accordance with the operating agreement.

Section 315(b) provides that other human resource programs may also provide services through the centers and become a party agreement if the board, the local elected official or officials, the Governor and executive officer of other participating programs concur. These programs may include the Job Opportunities and Basic Skills (JOBS) program, the Food Stamp Employment and Training program, the Job Corps, veterans training programs under title IV-C of JTPA, the Perkins Vocational and Applied Technology Education Act programs, Adult Education Act programs, Vocational Rehabilitation Act programs, and programs under the School-to-Work Opportunities Act.

Section 316 describes the operating agreements that are to govern the administration of the one-stop career center system in the OSSA. The operators are to enter into a written agreement with the board and participating programs covering the operation of the centers. The Governor and chief local elected official or officials must approve the agreement and are to oversee the development of the agreement, ensure that it meets applicable requirements, and monitor its implementation.

Section 316(b) describes the contents of the agreement. It is to identify: the services to be provided by the centers and the extent to which the participating programs will provide services through the centers; methods for the referral of individuals by the centers to appropriate services and programs; the financial and nonfinancial contributions to be made to the centers by the participating programs, which are to be based on factors including the number of participants served by the centers and the quality of the services; the financial liability of the respective parties relating to the funds contributed by the participating programs; the financial contributions to be made for the administration of the workforce investment board by each participating program; methods of administration and oversight; a description of how services are to be provided, such as the methods for assessing the skills of individuals; procedures to ensure the utilization of a common local job bank; procedures to be used to ensure compliance with the statutory and regulatory requirements of the participating programs; the duration of the agreement and procedures for amendment; and other provisions the parties deem appropriate.

Section 316(c) requires the parties to the written agreement (center operators, the workforce investment board, and participating programs) to develop an annual budget for the one-stop career centers and the workforce investment board. The budget for the board is subject to the approval of the local elected official, and the one-stop career center budgets are subject to the approval of both the local elected official and the Governor.

Section 317 describes the quality assurance systems relating to the performance of the centers and workforce investment boards. Section 317(a) describes the performance standards system. The Secretary is to prescribe separate performance standards for the centers and boards. The standards for centers are to be based on factors the Secretary determines are appropriate. These factors may include: placement; retention and earnings of participants in unsubsidized employment; the provision of services to hard-to-serve populations; the acquisition of skills based on skill standards and the certification system established and endorsed under the Goals 2000: Educate America Act; the satisfaction of participants with services provided and employment outcomes; the satisfaction of employers with the job performance of individuals placed; and measures of cost efficiency. The standards for workforce investment boards are to be based on the number of job openings received and the proportion of employers listing such openings, the number of job openings filled, and the overall performance of career centers in the one-stop service area. The Governor is to adjust the performance standards for centers and boards, within parameters established by the Secretary, based on economic, geographic and demographic factors in the State and local areas and the characteristics of the population to be served.

The Secretary is to establish uniform criteria for determining whether a one-stop career center or workforce investment board fails to meet performance standards. The Governor is to provide technical assistance to one-stop career centers and boards failing to meet performance standards and is to report annually to the Secretary on the performance of each center and board and the technical assistance to be provided. If a center fails to meet the performance standards for two consecutive years, the board is to revoke the charter of the center. If the center is operated under the consortium option, the board is to select another entity to operate the center pursuant to the multiple independent operator selection process. If the center operator was selected pursuant to that open selection process, then another operator is to be selected pursuant to that same process. If a board continues to fail to meet performance standards for two consecutive years, the Governor must notify the Secretary and the board, and must replace the members of the board, direct the board to replace staff, direct the board to replace the chairperson, or take other appropriate action. The board's revocation of a charter may be appealed by an operator to the Governor and then to the Secretary. A board may similarly appeal any sanctions imposed by the Governor.

Section 317(b) describes the customer feedback process that is to be in place to ensure that each center is responsive to the needs of the individuals receiving services. Under this subsection, the board is to establish methods for obtaining, on a regular basis, information from individuals and employers receiving services through a center on the effectiveness and quality of the services. The feedback mechanisms may include surveys, interviews, focus groups and other techniques. The board is to analyze the information obtained and provide a summary of the information and the analysis to the center for use in improving the quality of services.

Section 318 provides for the establishment of a State Human Resource Investment Council (HRIC) as part of the one-stop career center system. Such councils are authorized under title VII of JTPA and are intended to consolidate separate advisory entities to provide the Governor with a source of coordinated and comprehensive advice relating to the administration of Federal human resource programs in the State. Those human resource programs include JTPA, Perkins Vocational Education, Adult Education Act programs, JOBS, and the Food Stamp Employment and Training programs.

Under this section, the State must establish a HRIC and the HRIC is to identify the human investment needs in the State and recommend to the Governor goals for meeting those needs, recommend to the Governor goals for the development and coordination of the human resource system in the State, prepare and recommend to the Governor a strategic plan for accomplishing the goals, and monitor the implementation and evaluating the effectiveness of the plan (such plan is an optional activity under JTPA). In addition, the HRIC is to advise the Governor with respect to all aspects of the development and implementation of the one-stop career center system. Such advice would relate to assessing the labor market, economic and workforce development needs in the State, the designation of OSSAs, measures to evaluate the effectiveness of the workforce investment boards and to facilitate the provision of resources and technical assistance to the boards, developing a mechanism for waiving State statutory and regulatory requirements that would impede the one-stop system, and developing a strategy for collecting information to evaluate the effectiveness of the system and workforce investment programs in the State.

Part B of title III authorizes grants and waivers to promote the development and implementation of the one-stop career center system.

Section 331 authorizes planning and development grants. Section 331(a) authorizes the Secretary to establish a program of competitive grants to the States to assist in the planning and development of a comprehensive Statewide network of one-stop career centers.

Section 331(b) provides that a State desiring a grant is to submit an application to the Secretary at the time, in the manner, and containing the information specified by the Secretary. The application is, at a minimum, to include a timetable and estimated amount of funds needed to plan and develop the one-stop career center system in the State and to describe the manner in which the Governor, local elected officials, representatives of employees and voluntary organizations, community and business leaders, representatives of affected programs and service providers will work together in the planning and development process.

Section 331(c) authorizes the planning grant funds to be used for activities including: identifying and establishing an appropriate State administrative structure; establishing broad-based partnerships to participate in the one-stop system; developing plans to establish the workforce investment boards and the State Human Resource Investment Council; developing the process for selecting and chartering centers; supporting local planning efforts; initiating pilot programs to test components of the system, such as designing common intake forms; analyzing State and local labor markets to assist in the design of the system; analyzing current statutory and regulatory impediments to the establishment of the one-stop system and preparing waiver requests; preparing the Statewide implementation plan required as part of the application for an implementation grant; and other related activities.

Section 332 authorizes State implementation grants. Section 332(a) authorizes the Secretary to establish a program of competitive grants to States to assist in the implementation of the Statewide one-stop career center system.

Section 332(b) provides that any State desiring a grant is to submit, with the agreement of the local elected officials from the OSSAs that are scheduled to immediately begin implementation of the system, an application to Secretary in accordance with procedures specified by the Secretary. The application is, at a minimum, to contain: a plan for a comprehensive, statewide one-stop career center system that includes the seven basic components described in part A; requests, if any, for waivers of Federal statutory or regulatory requirements necessary to implement the system; and other information specified by the Secretary.

The comprehensive State plan is to: designate a fiscal agent to be accountable for grant funds provided under this section; identify the OSSAs; identify the OSSAs that will immediately begin implementation and the implementation schedule for the remaining OSSAs in the State; identify the workforce development programs that will participate in the system; identify the selection process option that will be used in each OSSA; describe the performance standards the State intends to meet; describe the collaborative procedures to be used by the Governor, local elected officials and officials administering the participating programs; describe the procedures for ensuring the active involvement of all affected parties, including employers, educators, labor organizations, community-based organizations, service providers, and State and local human resource agencies; specify the manner in which States will ensure equitable opportunities for jobseekers, students and employees to receive services from the centers; describe the way in which existing one-stop initiatives, if any, will be integrated into the one-stop system; identify the administrative and management systems that will be used, and the resources that will be used to maintain the system after the grant funds are exhausted.

Section 332(c) specifies the factors which will be given special consideration in the evaluation of the State grant application. The factors are: the extent to which the State one-stop service areas are based on labor market areas, the number of Federal programs that will participate in the centers, inclusion of JOBS and Perkins vocational education programs in the one-stop system, the extent to which a State has already implemented components of the one-stop system described in Part A, the proportion of the State's population that would be covered by one-stop service areas agreeing to immediate implementation, and the extent to which the State will supplement access to the one-stop career center services through methods such as kiosks in shopping centers, libraries, community colleges and other community organizations, and through personal telephones or computer lines,

Section 332(d) describes application review procedures. The Secretary determines whether to approve the State's plan. When the determination is positive, the Secretary further determines whether to do one or more of the following: award an implementation grant; approve the State's request, if applicable, for a waiver; or inform the State of the opportunity to apply for further development funds, unless the State is receiving an implementation grant.

Section 332(e) prohibits the expenditure of grant funds for construction of new buildings.

Section 332(f) specifies that implementation grants are for a one-year period and are renewable for each of the two succeeding years if the Secretary determines the State is making satisfactory progress in implementing its plan.

Section 333 authorizes the waiver of Federal statutory and regulatory requirements that would impede implementation of the one-stop career center system. Section 333(a) provides that a State may, at any point during the development or implementation of the one-stop career center system, request that the Secretary waive statutory and regulatory requirements relating to certain employment and training programs administered by the Secretary of Labor.

Section 333(b) authorizes the Secretary to waive the requirements of the statutes and (with the concurrence of the Director of OMB) OMB circulars listed in subsection (c) and related regulations in response to a request from a State if four conditions are met. These conditions are that: the State submits a plan (containing information the Secretary requires) for a comprehensive statewide one-stop career center system that either includes the seven basic components described in part A (this plan may or may not be part of an application for an implementation grant) or, while not including all these components, demonstrates that the one-stop system will substantially achieve the objectives of the one-stop system; the Secretary determines that the requirement requested to be waived impedes the ability of the State to implement the system; the State waives or agrees to waive similar provisions of State law; and the State has provided an opportunity for the State council or the State Human Resource Investment Council and other interested entities and individuals to comment on the proposed waiver and included such comments with the request. The Secretary is to act promptly on each request and each waiver may be approved for a period of up to four years. This period may be extended if the Secretary determines that the waiver has been effective in assisting the State in implementing the one-stop system.

Section 333(c) identifies the six statutes that may be waived, which are: title I of this Act, JTPA, the Wagner-Peyser Act, title V of the Older Americans Act, title III of the Social Security Act (which provides for UI administrative grants to the States), and chapter 41 of title 38 (veterans employment programs). In addition, this section authorizes the Secretary to waive OMB circulars A-87 (relating to cost principles for State and local governments), A-102 (relating to grants and cooperative agreements with State and local governments), A-122 (relating to non-profit organizations), and the regulations at 29 CFR 97 (relating to uniform administrative regulations for grants and cooperative agreements to State and local governments).

Section 333(d) provides that the Secretary may not waive any requirements of the statutes identified above that relate to:

the basic purposes or goals of the affected programs; maintenance of effort; the formula allocation of funds; the eligibility of individuals; public health or safety, labor standards, civil rights, occupational safety and health or environmental protection; or prohibitions or restrictions relating to the construction of buildings or facilities.

Section 333(e) provides that the Secretary is to periodically review the performance of the States that have been granted waivers and is to terminate a waiver if the State's performance is inadequate or the State has failed to waive similar requirements of State law.

Section 333(f) provides that if there is sufficient information from waiver requests to identify provisions of the circulars or related regulations that consistently impede implementation of a one-stop system, the Secretary is to submit a plan to OMB to grant a general waiver for one-stop areas. The Director of OMB may approve the plan and authorize the Secretary to grant these general waivers if the Director determines the plan would not jeopardize the integrity of Federal funds and would be consistent with the objectives of title III.

Section 334 authorizes the pooling of administrative resources. During the implementation of a one-stop system, a State may, at any point, on behalf of one or more one-stop service areas, submit to the Secretary a plan for the pooling of administrative funds available under two or more of the mandatory participating programs. Under the State plan, each participating program may transfer administrative funds to the one-stop system and allocate the transferred amount to administrative costs at the time of transfer. No further allocation of the transferred funds would have to be made to the particular program. Administrative funds so transferred must be spent only for the administration of allowable activities under the one-stop career center system.

Notwithstanding section 31 U.S.C. 1301, which requires all funds to be allocated to the source of their appropriation, or other provisions of law, the Secretary may approve a State pooling plan if the Secretary determines the plan would not jeopardize the administration of the participating programs and would facilitate implementation of the one-stop system. Where pooling plans are approved, the Secretary is required to regularly review the performance of the applicable one-stop service areas and to rescind the approval if the Secretary determines the area's performance does not adequately justify continuation of the plan or there has been a significant adverse effect on the participating programs.

Section 334(c) provides that, upon approval of the Governor, real property purchased pursuant to UI administrative grants, the

Reed Act, or the Wagner-Peyser Act before the effective date of this Act may be used for the one-stop career center. Under current law, such property may only be used for UI or ES programs, depending on the source of funds, and, if such property is to be used for any other purposes, it must be sold. This change will facilitate collocation and an effective one-stop setting. Except if otherwise provided in a pooling arrangement, there are certain limitations included on the future use of such funds to pay for property used by the one-stop center in order to protect the integrity of such funds.

Part C includes additional activities which support one-stop career center systems.

Section 351 provides for the development of a customer service compact. The Secretary is to establish within each one-stop state a process, which includes an annual meeting, involving all parties who administer the one-stop system--the Secretary, Governor, each workforce investment board, and each one-stop career center--to reach an informal agreement among the parties. The agreement is to relate to the shared goals and values that will govern administration of the system, the roles and responsibilities of each party in tailoring and strengthening participant services, methods to ensure that participant satisfaction with services is a primary consideration in administration of the one-stop system, and other appropriate matters.

Section 352 specifies additional State responsibilities for States implementing a one-stop career center system. These include developing and operating administrative and management systems that promote the effective operation of the system; monitoring compliance of the workforce investment boards with the requirements of this title; and providing any necessary technical assistance to workforce investment boards.

Section 353 defines additional Federal responsibilities. The Secretary is authorized to monitor all recipients of funds under the title for compliance with the title's provisions. The Secretary is required to provide staff training and technical assistance to improve the capacity of the full range of public and private partners in the one-stop system to develop and implement the system, and to integrate the capacity-building activities with the Information Dissemination Network established under section 453 of the Job Training Partnership Act. In addition, the Secretary is to develop a national logo and name for one-stop career centers as part of a nationwide workforce security system, so that individuals will readily be able to recognize and access one-stop career centers wherever they are located. Finally, the Secretary is to provide for evaluation of the programs under this title, including their cost-effectiveness in achieving the intended purposes. The evaluations must use recognized statistical methods and techniques of the behavior and social sciences, including methods that control for self selection, where feasible, and may include analyses of the costs and benefits of programs, participant and community impacts, and the extent to which needs of various demographic groups are met, and the effectiveness of the various delivery systems.

Part D provides for the effective date of this title. Section 371 provides that the title is to take effect on July 1, 1995, except performance standards, which take effect July 1, 1996.

Title IV establishes a National Labor Market Information System that builds upon and strengthens existing capabilities at the Federal, State and local levels.

Section 401 states that it is the purpose of the title to provide for the development of a labor market information system that will provide locally-based, accurate, up-to-date, easily accessible, user-friendly labor market information, including comprehensive information on job openings, labor supply, occupational trends, wage rates and trends, skill requirements, and performance of programs providing requisite skills, and labor market data necessary for the effective allocation of resources.

Section 402 requires the Secretary to develop, in coordination with other Federal, State and local entities, a strategy to establish a national labor market information system. This strategy must be designed to fulfill the labor market information requirements of other specified Federal programs. In implementing the strategy, the Secretary is authorized to expend funds authorized under this title and funds otherwise available for such purposes, and to enter into intergovernmental cooperative agreements, award grants, and foster the creation of public-private partnerships. The Secretary is also authorized to conduct research and demonstration projects.

Section 403 contains the components of the national labor market information system. Section 403(a) specifies that the Secretary, in cooperation with Federal, State and local entities, and public-private partnerships, is to develop a national labor market information system that makes available the following information: information on the local economy, automated listings of job openings and job candidates, growth and replacement need projections, current supply of labor with specific occupational skills and experience, automated screening systems to determine candidate eligibility for services, consumer reports on local education and training providers, results of customer satisfaction measures for Career Centers, One-Stop Career Centers and other providers, national, State and substate profiles of industries, and automated occupational and career information and exploration systems.

Section 403(b) requires the Secretary to promulgate technical standards necessary to promote efficient exchange of information between the local, State and national levels, including standards to ensure that data are comparable.

Section 403(c) requires the Secretary, in consultation with the Secretary of Education, other Federal agencies and State and local governments, to set standards for consumer reports, and create a mechanism for collection and dissemination of the reports.

Section 403(d) requires the Secretary to provide for the evaluation of national labor market information procedures, products and services, including cost-effectiveness and the level of customer satisfaction. The evaluations may include analyses of the precision of estimates produced or collected, examination of the uses of the data, appropriateness of the uses, and relative data costs/benefits.

Section 404 requires the Secretary to coordinate the activities of Federal agencies responsible for the collection and dissemination of labor market information, and to ensure the appropriate dissemination of information that promotes improvement in the quality of labor market information.

Section 405 specifies that title IV will take effect on July 1, 1995.

Title V amends title II of the Job Training Partnership Act to establish a new part D, "Reinvention Labs", permitting the Secretary to waive Federal statutory or regulatory requirements relating to programs for the economically disadvantaged youth and adults in order to promote program innovations.

Section 501 adds the new Part D to title II of JTPA. The new section 281 of part D states that the purpose of the part is to encourage innovative program designs to enhance the provision of services to and outcomes for economically disadvantaged youth and adults, to develop knowledge relating to effective approaches to serving these groups, and to give service delivery areas (SDAs) greater flexibility in operating their programs in exchange for higher levels of accountability for results.

The new section 282 describes the process for applying for a waiver. Any SDA or consortium of SDAs that desires a waiver of statutory or regulatory requirements relating to parts A, B, or C of title II of JTPA must submit an application to the Secretary that includes a plan that incorporates innovative administrative, service delivery, or other program design components, measurable goals and outcomes to be achieved, the statutory and regulatory requirements to be waived and the rationale, assurances that the SDA and State will participate in a rigorous evaluation to determine whether the goals and outcomes have been achieved, and other components and information the Secretary determines are appropriate.

The new section 283 authorizes the Secretary to waive statutory or regulatory requirements if the Secretary determines they would impede the SDA in carrying out its plan, the SDA and State have provided interested entities and individuals an opportunity for comment and have submitted such comments to the Secretary, and the Secretary has approved the plan. The waivers may not alter the purposes or goals of the affected program; the formula allocation of funds under the program; eligibility requirements; any law respecting public health or safety, labor standards, civil rights, occupational safety or health, or environmental protection; or prohibitions or restrictions relating to construction of buildings or facilities. The Secretary is limited to approving 75 applications nationwide, and each waiver is limited to 2 years, except that the Secretary may extend the period of the waiver if it is determined the waiver has been effective in enabling the SDA to carry out the purposes of JTPA (but in no case may waivers remain in effect after a date that is 4 years after enactment of the Reemployment Act). The Secretary must periodically review the performance of SDAs receiving waivers, and must terminate the waiver if the performance of the SDA is inadequate to justify the waiver's continuation.

The new section 284 authorizes the Secretary to provide technical assistance in the development and implementation of the programs and requires the Secretary to conduct an evaluation of the program. The Secretary is to submit a report relating to the evaluation to the Congress not later than 5 years after enactment of this Act.

Section 502 makes a technical amendment to section 141(d)(3)(B) of JTPA to add postsecondary vocational institutions to the list of other postsecondary institutions that are exempt from breaking down costs for purposes of the JTPA program.

Section 503 provides that the Reinvention Lab provisions are to take effect on the date of enactment and to terminate 5 years thereafter. The technical amendment to the tuition definition would take effect on the date of enactment.